THE FINANCIAL POST

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IMPROVEMENT IN BUSINESS IS STILL GRADUAL

Better Conditions in Steel Industry, But No Boom

PRICES OUT OF LINE

Western Farmer Gives Four Pounds of Butter for One of Coffee—Pays for High Wages of Miners

The post-holiday period of business uncertainty is emerging definitely in a continuation of that gradual movement for industrial and commercial improvement with which the year ended. This improvement seems likely to continue in the direction which has been more marked in the United States, but there is little indication of the boom in Canada which has been noted in some sections of the country to the South. Conservative bankers and business men are inclined to view the American situation with some apprehension as indicating a minor inflation swing of the pendulum or readjustment from which there must be a reaction. This inflation seems to have its basis on the buying power of industrial wage earners buoyed up by the strength of the organized unions and the regulations against immigration enforced through their political influence. It is argued that there must be a further marked adjustment of wage costs in such industries as coal production before a basis for healthy industrial prosperity will be established. The labor cost factor is the dominating one in the spread between the cost of living and the buying power of the farmer, and this is relatively a greater influence on the general situation in Canada than in the United States because of our relatively large per capita agricultural production.

Activity in Metal Industries

The industrial revival has entered into a new phase with increased activity in the steel industry. Better conditions are reported from such manufacturing centres as Hamilton and Galt. Even for heavy machinery there is a better outlook. In this situation there are two factors in evidence. In the fist place, in addition to general demand, there have been the orders for railway cars and equipment which have meant business for a considerable number of plants. Then there are increased bookings for steel products on account of the difficulty in getting delivery from the American plants which report increasing unfilled tonnage. General manufacturing industries also report gradual improvement.

Boom in Lumber

The lumber industry is particularly active in all parts of Canada. Operations in the woods are on a big scale and with increasing prices production seems to be limited only by such difficulties as labor shortage, heavy snow in the Maritimes and lack of shipping facilities. An evidence of rising prices is the unexpectedly high returns which have been realized on four cargoes shipped from Quebec to South America. In British Columbia the lumber industry is described as being in the full tide of prosperity, while paper production is at a high level. There is an active demand for Atlantic export as well as from the United States and the prairies. Shortage of steamer tonnage during the next two months threatens to interfere with ocean shipments. The demand from the Orient for wheat is also reported as being on the increase, and the decision of Ottawa to assist in the financing of enlarged grain shipping facilities should prove a boon to the Pacific coast in this respect. The outlook for the salmon industry on the Columbia is reported as promising.

Butter and Coffee

Summing up conditions on prairies the Canadian Credit Mens' Association of Winnipeg, reports: Wholesale business is fair in volume, some dry goods houses reporting increased demand over last year. While new credits are being closely watched an underlying feeling of more confidence is developing. Retail business fair under special offerings. Collections fair.

The renewed tendency towards high prices for manufactured products and other increases influencing the cost of living are having a depressing effect in the agricultural communities and threaten to stifle the buying movement if carried far. This is particularly true in western Canada. It is pointed out for instance that while the farmers in Alberta are responding to the demand to go in for mixed farming there is small encouragement to do at the present prices for their products when it takes the proceeds from four pounds of butter to buy one of coffee. The same applies in other directions. The point is made that while the farmer is working hard and getting about three-fourths of a price for his products, the unionized workers in the

(Continued on Page 13)

Industries Booking Additional Business

Three tangible changes for the better have developed in the financial situation, acording to Moody's Weekly Review of Financial conditions. First, the Franco-German news may be taken to foreshadow Continental peace and an ultimate return to prosperity; second, our bond market is responding to the less dangerous political situation abroad by showing a stronger and healthier undertone than at any time since last August; and, third, our leading industries are booking additional orders in larger volume than for some weeks. This is true of steel, copper, textiles, lumber, automobiles and tobacco products; and this improvement in orders booked is acting as a tonic to the stock and bond market.

ST. MAURICE SALE MAY START FLOW OF BRITISH MONEY

Two Hundred Thousand Pounds of Debentures Quickly Snapped Up

From Our Own Correspondent.

MONTREAL.—There is more than ordinary significance in the sale of St. Maurice debentures in London, England, for its marks the first actual transfer of British capital to a Canadian industrial corporation in several years. Last December there was an issue of bonds of Beckers, Ltd., a British concern in London, and these were secured in turn by an issue of bonds of the Saguenay Pulp and Paper Company. In 1921 there were two or three issue that represented a real transfer of new capital to Canada.

A total of £200,000 of the St. Maurice Power Company's debentures were sold in Great Britain. The capital could easily have been raised in Canada and the United States; in fact the nearly $10,000,000 of the bonds that were sold on this side of the water were divided 50-50 between Canada and the United States were snapped up quickly in both markets, and rose in trading considerably after the sale.

But J. E. Aldred, president of Aldred and Company, who arranged the issue, in is England now and determined that an issue of these debentures in London if successfully floated, would have a tendency to start a flow of British capital to Canada for industrial and public utility enterprises.

Bonds Were Quickly Sold

The reception accorded the issue in London when it was offered this week was very gratifying. The books were only open for an hour and the £200,000 of debentures were oversubscribed several times.

The debentures were offered in London on practically the same terms as in Canada—that is to yield a little over 6%. There was some loss on exchange in bringing the capital to Canada but the borrowing was arranged upon such satisfactory terms that the exchange loss was not seriously felt.

It is quite likely that one result of this successful sale will be to interest other Canadian concerns in the present possibility of borrowing in Britain. It is known that another Canadian industrial corporation had a bond issue arranged in London but a higher rate for sterling is required before the deal will finally go through.

GOVERNMENT KEEPS OUT OF SUGAR TRADE

Alberta Refuses to Guarantee Bonds to Assist Sugar Beet Industry

From Our Own Correspondent.

EDMONTON.—An ambitious scheme to establish a beet sugar industry in southern Alberta, with the Government behind it to the extent of a $900,000 bond guarantee, has been nipped in the bud by the refusal of the government to entertain such a proposition at all. Some farmers in the Raymond district originated the scheme and asked Premier Greenfield for assistance along the lines indicated. Their idea was to make it a million-dollar proposition, putting in 10 per cent. of their own money and the rest to be on Government guarantee.

The Premier's answer was that no part of the province could be given a double helping hand in this way, the dry belt having already been assisted with irrigation guarantees. If a beet sugar industry was a good investment, he said, it would have to be financed on a basis of private enterprise.

A beet sugar factory was built at Raymond some ten or twelve years ago but was dismantled and moved across the line because the Alberta farmers found beet crops too hard work to grow as compared with wheat, and for that reason there were never enough beets to keep the plant running.

MANITOBA RURAL LOANS TO BE PUT OUT OF POLITICS

The Financial Post Understands Commission Will So Recommend

From Our Own Correspondent.

WINNIPEG.—THE FINANCIAL POST understands that the Commission which recently enquired into Manitoba's rural credits will recomment their divorce from politics. If this is the finding of Prof. Jackman University of Toronto and F. L. Collyer, Manitoba farmer, as the result of their probe into the Manitoba farm credit situation, the Bracken Government will require to summon all its courage to take up the recommendation. It will not be easy in these days of agrarian pressure to advocate less easy farm credit. There is an element in the Manitoba legislature strongly wedded to any measures that smack of paternalism. But it is believed here that Premier Bracken and Provincial Treasurer Black are a sufficiently strong combination to have their way in a concerted action.

Premier Bracken's first speech to the Manitoba legislature indicated his determination to "put all the commercial activities and enterprises of the government upon a self-supporting basis." The Provincial Treasurer is believed to be equally determined to exert every effort to strengthen the credit position of Manitoba.

Divorcement of the rural credits and politics in the interests of sound economics is understood to be the attitude which the Jackson-Collyer Commission have taken. THE FINANCIAL POST understands that this Commission's complete report is now in the hands of the Finance Minister, but it is impossible of course to say when it will be tabled in the House. Hon. Mr. Black has been ill and his budget preparations have been delayed as a result, so that it is highly probable decisions upon rural finance will have to wait.

In advocating the elimination of governmental control from the rural credits it is presumed that the recommendations will be for a business administration of the whole rural credits programme. F. Y. Newton, Conservative member for Roblin, intimated the other day that if the government takes no action to probe his charges against the present administration of the Rural Credits Act, he will move for a legislative commission to investigate the system.

If the Braeken Government decides to take up the Jackson-Collyer Commission's proposal it will have a strong argument in the fact that the commission is believed to have uncovered the vital fact that the government's one class financing "aid" is astonishingly restricted in its scope. It is THE FINANCIAL POST'S understanding less than 4,000 of the 50,000 farmers in Manitoba are being financed through the rural credits act. There is too an increasing disposition to regard the rural credits as very inexpertly alministered. It is not yet known how far the commission goes into this situation in its findings. But it has been learned that during the enquiry all centres of rural credit societies were visited. Mr. Newton in the Legislature alleged that provincial funds were being recklessly handled by rural credit supervisors and he maintained the province stood to lose $1,000,000 if the matter was not quickly checked up. He further claimed that supervisors are taking agencies for insurance companies and are forcing policies upon farmers, who in turn secure loans under the rural credits programme. Possibly in view of Mr. Newton's charges, the government will hasten its decision.

Pig iron production in the United States in January, 3,229,604 tons, was the largest monthly output since October, 1920, when total was 3,292,597 tons. Rate has climbed steadily since August, 1922, when output was 1,816,170 tons.

Farmers and Women Large Owners of the Bank Stocks

The idea that the Canadian banks are owned by millionaires is quickly dispelled in any analysis of the lists of shareholders. Not only do these lists indicate that there are many thousands of small shareholders throughout the country but that many of these are farmers and a rather remarkably large proportion are women; estates too are represented by large holdings.

In the case of one bank with 1723 shareholders, 478 are farmers, 481 are women and 41 are trustees. Another with 60,000 shares outstanding has 2,040 shareholders; of this number 813 are women, holding 14,181 shares, 277 estates own 1,337 shares and 51 farmers hold 1,008 shares.

In the case of the bank of Hamilton, the 50,000 shares are held by 1947 shareholders. Of these 904 are women, 102 are farmers and 200 are trustees and executors.

The total number of shareholders of the Bank of Nova Scotia is 3,667 and the average number held by each is 25. Of the 3,667 shareholders 2,841 own 25 shares or less and there are 2,061 holders of 10 shares and under. An analysis of the vocations of the shareholders has not been made, but the statement is made on authority that a large number are farmers.

Development Plans of Northern Mines Presage Great Activity

Showings of Remarkable Ore on Paymaster at Porcupine—New Interests Are Taking Over Property in Kirkland Lake Camp

Mining operations on the Paymaster at Porcupine have reached a decidedly interesting stage, according to A. S. Fuller, general manager, and Mr. Walker, Boston, one of the heads of the Crystal Copper Co. of Anaconda, Montana, which company practically owns the Paymaster.

"I believe we have a big mine," said Mr. Fuller to THE FINANCIAL POST, and certainly the values being secured give evidence of the presence of very rich ore. The Company is carrying on a decidedly active campaign of operations. There are 75 men at work and attention is being given to the 200, 300, and 400 ft. levels, while at the same time three diamond drills are active. A small experimental mill was recently purchased to test out the best method of treating the ore. The large vein, which operations have opened up is a decidedly spectacular one. For over 86 feet the drift fairly bristles with free gold. Some mining men who have examined some of the rich pockets have declared that some of the ore is even more spectacular than that taken out of the famous Croesus. Fully 1,000 ft. from the present shaft, surface work revealed a decidedly rich showing. A list was made of this ore and Mr. Walker had in his possession a small gold brick, the product of the test run. It was the first brick the mine turned out.

McIntyre Developments

The McIntyre has opened up a body of ore running $30 and $40, on the 1,875 ft. level. Full details of the vein are not as yet available. The McIntyre's mill enlargement, which will increase the tonnage to a point about 75% over that handled a year ago, is now completed. Full speed ahead, however, is dependent on power and the necessary supply will hardly be available until the spring break-up.

Tonopah in Kirkland

No little interest centres around the entry of the Tonopah Mining Co. into the Kirkland Lake camp. At the present time they are developing the Herrick in Shining Tree. They will take over the Wood in Kirkland Lake. Recently it was reported that negotiations for control of the King-Kirkland were under way. It is said that a million dollars for control was the price discussed. It comes from fairly good sources that the Tonopah people are the prospective purchasers and that they are also after the Pawnee. This would give a fairly well located group of 20 claims. Other purchases would have to be made, however, to give a compact holding.

The Continental Mines shaft is down 50 ft. and at a depth of 15 ft. the vein being sank on shows values of $9.60. Just below this point the shaft cut another vein which assayed more than double the shaft vein. Rich ore was also encountered at 40 ft.

Great interest centres around the finds in Quebec, where hundreds of claims have been staked and which section is bound to provide a decided rush in the spring. Messrs. Chadborne and Thompson have two drills at work on the virginal discovery, the Powell, at Roseberry Lake. They are installing a plant and sinking. There are 20 men employed.

R. Rice is looking after operations on the Cockran claims for Jack Hammell and plans to drill them. Mr. Hitchcock, of Smith and Travers, Sudbury, is looking after the drilling. In the meantime staking has reached practically to the Ontario boundary, and recently on a second trip in Tommy Powell staked claims on both sides of the boundary.

Dome Mines treated 36,210 tons in January, with a production of $403,511, or nearly $100,000 above the previous January. Average values were over $11.00.

The Bidgood, in Kirkland Lake, has approved of the purchase of an adjoining property for 625,000 shares.

Construction work on the increase of the Lake Shore mill will be under way by the end of March. By the end of October it is expected that 300 tons of ore will be passing through the mill daily.

McLELLAND WAS CRUDE; HE PAYS

Convicted of Five Breaches of the Law—To Serve Seven Years

Robert McLelland, erstwhile promotor of the Instantaneous Electric Water Heater, goes to Kingston penitentiary because he employed methods so crude, the crown was able to get a strong against him. His term will be for several years. He was convicted of fraud, conspiracy, theft, making false entries and publishing a false prospectus. The difference between Mr. McLelland and some other promoters so far as the confiding public is concerned, is that he failed to keep within the law.

McLelland got away with large sums of money which he was able to inveigle the uninitiated to put into his scheme. It was indicated, however, that this promoter did not have much faith in the "one-call" system. In one case, at least, he called more than once. It was on a farmer. He got $10,000 and went back for more.

"We must protect the public" said the judge. McLelland's operations relieved persons, who could not afford to lose, of some $260,000 and robbed legitimate industry of this amount of funds, saying nothing of the good-will of other possible investors which these losses are bound to influence.

LONE SHARE BOUGHT; CANADA OWNS C.N.R.

The Minority Interest of One in a Million Shares at Last Disappears

At last the Dominion of Canada owns the Canadian Northern Railway outright. Two weeks ago it was pointed out by THE FINANCIAL POST that of the total of $100,000,600 of stock in the Canadian Northern Railway that was outstanding only $100,000,500 was owned by the Dominion through the Minister of Finance. One share of stock, of a par value of $100 was still outstanding and the holder of this stock was a partner with Canada in the ownership close to 10,000 miles of railroad.

Negotiations have been proceeding for some time looking to the acquisition of this single share of stock and it is now learned that these negotiations have at last been completed and the share of stock has been acquired.

There is no longer a minority interest in the C. N. R. It is all a majority interest; the interest of the people of Canada.

Sir Henry Squires says Wabana mines in Newfoundland closed recently upon cancellation of German orders after French occupation of Ruhr, will reopen March 1 with 1,400 re-employed.

A President and His Shareholders

$55 a share for the president.

$30 a share for the minority shareholders.

There is a wide spread between these two figures, representing the terms upon which the president of the Mount Royal Assurance Company, Hon. H. B. Rainville, negotiated the sale of his controlling interest to an American company.

Was it fair to the minority shareholders—holding about 48 per cent. of the Mount Royal stock—that they should not get the same price for their stock as was received by the president of the company when the offers were made at the same time by the same purchaser?

It is aruged that Mr. Rainville did not sell his stock but rather the control his stock represented. It is argued that the minority shareholders are not forced to sell their holdings and that the offer of $30 a share made to them is a generous one. It is argued that as the president did not sell the company but rather his own interest, it was up to him to make the best bargain he could for himself; that he was not called upon to look after minority shareholders the transfer of whose stock he was not forcing.

From a legal point of view every one of these arguments is sound. But from a broader point of view, having regard for the moral obligation of a corporation president to represent all the shareholders, the situation is different. When he sold out his control of the Mount Royal Assurance Company, we believe Mr. Rainville should have seen to it that every holder of stock would be offered the same price. Had he done so the other shareholders would have been offered a "take it or leave it" proposition, fair in every way.

POLITICAL GHOST STILL HAUNTING NATIONAL RAILS

The Evidence is That it Cannot Be Downed

TROUBLE BREWING

Sir Henry Thornton Trying to Head it Off—Significant Statement Made by Fielding

From Our Own Correspondent.

OTTAWA.—It has not taken parliament long to find out, that, in spite of the appointment of a strong-minded president and a board exercising very wide powers, it is practically impossible to keep the National railways out of politics. When the present system of administering the railways was proposed it was pointed out in parliament that it was impossible to expect parliament to vote out tens of millions for railway purposes every year and not think that members of the House would refrain from saying anything about how this money was spent. Mr. Fielding recently referred to this subject in the following:

"If you advocate taking railways out of politics, do you know what it means? It means taking them out of the control of the people, out of the control of the people's representatives, and putting them in the hands of some irresponsible body. The idea seems to be that this Parliament of Canada would be content to vote sixty, seventy or a hundred million dollars every year—turn that money over to the Canadian National Railway Board and ask them to make the expenditures. I can tell my Hon. friends who are so full of national ownership that the time will come—it may come at any moment—when they will find difficulty because of this board set up between the people and the government. When that time comes the people will brush aside the board and they will come to the Government, and whether you like it or not, you will discover that these railways will have to be in politics, because politics is the business of the people."

This is exactly what is happening and Sir Henry Thornton knows, and Mr. Fielding knows it. Very probably this explains why the former at Pittsburgh not only took occasion to make the strong speech he did on political interference through the making of impossible sectional demands, but saw that this portion of it was wired back in extenso to Canada. There is much trouble over these demands even now, and there will be more before Parliament is through with its labors.

The prairie provinces want the Hudson's Bay Railway completed and they resent any action on the part of Sir Henry Thorton, or the Canadian National Board to determine what the policy shall be. Their contention is that the policy of constructing this railway having been decided on some years ago, it is not for Sir Henry, or the board to say what shall be done. They also have a big block of members in the House to back up their views. There are alsa strong sectional demands for the reduction of rates, which Sir Henry quite realizes will be fatal, if complied with.

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Dividend No. 144

Notice is hereby given that a dividend at the rate of 10% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Thursday, the First day of March, 1923, to shareholders of record at the close of business on the 13th day of February next.

The Transfer Books will be closed from the 14th to the 28th day of February, both days inclusive.

By order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, January 19th, 1923.

THE HOME BANK OF CANADA

Notice of Quarterly Dividend

NOTICE is hereby given that a dividend at the rate of seven per cent. per annum on the paid-up capital stock of this Bank has been declared for the three months ending February 28. 1923, and that the same will be payable at the Head Office and branches on and after Thursday the 1st of March next, to shareholders of record at the close of business on February 14, 1923.

By Order of the Board,
J. COOPER MASON, General Manager.

Toronto, January 23, 1923.

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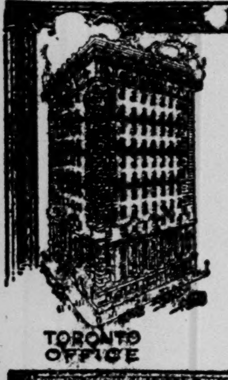

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MANUFACTURER'S RIGHT TO FIX A PRICE IN COURT

To Be Decided in Case About Wholesale Grocers

SOME ADVANTAGES

If Price Not Maintained Trade Will Not Handle Article And Maker Suffers

Whether members of the Wholesale Grocers' Association of Ontario attempted to restrain trade to the detriment of the public in any of their various decisions at meetings, or actions subsequent to these meetings, now rests with four judges who have been sitting on the appeal case of the attorney general of Ontario against these wholesalers. The issue has been somewhat complicated by the fact that there were three different combinations alleged: (1), to exclude certain wholesalers from the right to carry on their business. (2), between manufacturers to set a uniform and non-competitive price for their products. (3), among manufacturers and wholesalers to set resale prices. The appeal was from the judgment given by Justice Orde last year. He contended that the attorney general of Ontario had no status to bring action against the wholesale grocers under the Criminal Code.

The Attorney General through his counsel, Wallace Nesbitt, K.C. and A. W. Roebuck, contended that the wholesale grocers through their Ontario association had no right to say to a manufacturer: that if he sold men who are not legitimate wholesale grocers he could not sell them.

Cases were cited where one man in the trade, F. W. Morley, Toronto, had purchased sugar and canned goods, etc. from manufacturers and sold them at a lower figure than the standard price. The wholesale grocers then took the matter up with the refiners and packers, pointing out to them that if they sold Mr. Morley they could not sell them. Counsel contended that this resulted in higher prices to the general public.

On the other hand, I. F. Hellmuth, K.C., representing the wholesale grocers and manufacturers, claimed that Mr. Morley was not a legitimate wholesale grocer because he had no warehouse; had no travellers outside of Toronto; that he did not pretend to give a general service to the trade in Ontario, and that therefore he could readily cut the price to large retailers in Toronto without losing money. This, he claimed, was not legitimate competition, as his rivals the wholesalers had to give a service to all the trade that cost considerable money, and that they must make a certain gross margin to pay operating expenses, and make some profit on their turnover. He declared the wholesale grocers' organization had a perfect right to decide they would not deal with a manufacturer who sold to F. W. Morley, an alleged wholesaler.

The Attorney General further contended that two manufacturers, such as the starch companies, could not join together to agree on prices on their product. His counsel argued that the public did not get the benefit of the competition between them. On the other hand the defendants through their counsel claimed that there was no agreement existing between them. That any prices discussed as standard prices could be cut by either of them the next day; that their prices were not undue as far as the trade and general public were concerned; that if high prices had been fixed, some other starch company could have come in and secured the business. The tariff, the judges contended, really fixed the price.

The resale price agreement, according to cases quoted, is quite legal in England, but not decided to be in all instances in the United States. The counsel for the plaintiff admitted he could not cite any English case favoring his contention that fixing resale prices is illegal, but quoted several from the United States. His claim was that once the goods leave the manufacturer they are out of his hands and the buyer should be able to do with them what he desires.

Legal to Fix Price

Mr. Hellmuth counterclaimed that it was quite legal for a manufacturer to fix a resale price; that the resale price was often necessary if the manufacturer wanted to hold his trade. He declared that if the price was not kept wholesalers would discontinue handling the line because of insufficient margin, and the manufacturer would have to spend a good deal of money to get it back on the market again. This was a disadvantage to the public.

Chief Justice Meredith expressed doubt several times as to whether it was worth while for the Court to give decisions on any of these points as both the Dominion Government and the Ontario Legislature had intimated Bills would be presented at the present sessions to regulate trade agreements.

Canadian Grocer expresses the opinion that the word "unduly" will form an important part in the decision, also that from what the majority of the judges observed during the court proceedings that they are in favor of giving the manufacturer the right to fix his resale price.

Remarkable Growth of Chain Store Idea

Few lines of industry show such rapid and consistent growth over the past decade in America as the five and ten cent stores. Combined 1922 sales of four leading systems—F. W. Woolworth Co., S. S. Kresge Co., S. H. Kress & Co., and McCrory Stores Corporation—made a new high record of $280,269,581, compared with $246,829,543 in 1921, a gain of $33,440,038 or 13½ per cent. Increase in 1921 sales over 1920 was $11,492,058, slightly under 5 per cent. Last year's sales compare with $95,814,608 in 1913, a gain of $184,454,973, or 192½ per cent.

In ten years ended December 31, 1922, sales of the four companies aggregated $1,738,221,046. Of this, Woolworth contributed $1,079,593,005, slightly more than 62 per cent.; and Kresge $358,059,630, approximately 21 per cent.

NO LACK OF WORK IN BRITISH COLUMBIA

All Industries Are Active—Unions Taking a More Reasonable Stand

From Our Own Correspondent.

VICTORIA.—In spite of warnings issued last fall that the present winter would witness unemployment in British Columbia on a scale greater than ever before experienced, there is to-day very little idle labor in the provinces. At some points the demand for workers has been so great that men have been brought in from Alberta and Saskatchewan. This was notably the case in connection with tie cutting operations along the line of the Canadian National Railways east of Prince Rupert. Logging operations in the interior have been held up by heavy snowfall, but that is a purely temporary condition, and on the coast the logging concerns are operating at full strength.

The lumber mills were never much busier than they are at present and orders are being refused in some cases because of the accumulation of contracts and the fact that the prospective buyers do not always require material such as constitutes the by-product of operations already under way.

Mining and the pulp and paper industries expect a good year and extensions are being made, resulting in a demand for labor. New construction in connection with harbor facilities and business and factory buildings to take in the slack will be another important factor in eliminating unemployment. In addition to industrial operations within the province, seeding on the prairies will provide work for about 1,500 men from British Columbia in a couple of months.

Organized and unorganized labor is showing a much more reasonable attitude than has been in evidence in the past, with the result that some industrial projects which otherwise might be deferred are to be proceeded with at once. To mention only one or two large industrial undertakings, the Granby Consolidated Mining, Smelting & Power Company is planning extensive improvements to its plant, and the Powell River Pulp and Paper Company is also adding to its capacity by the installation of new production units.

GARY SEES A BIG MARKET FOR STEEL

Steel Corporation Head Characterizes the Present Demand as Remarkable

Elbert H. Gary, chairman of the U. S. Steel Corporation, who is sailing on a vacation in a few days, said, in an interview with The Wall Street Journal, he could see no likelihood of a let-up in the demand for steel for several months at least. The European situation, he believed, would be settled without serious damage to conditions here. Judge Gary pointed to fact that he is going abroad as answer to his opinion of the outlook. His statement follows:

"The unfavorable situation in France and Germany, and in other foreign countries, looms large at present, but there are reasons to believe they will be settled without serious damage to the financial and economic conditions of the United States. Certainly if the Congress of the United States will permit the Chief Executive to practically apply the policies which he has outlined, our country at least, and probably others, will soon emerge from the clouds and storms which are conspicuous abroad.

"The present demand for steel products in the United States and in many of the foreign nations is remarkable. It exceeds the expectations of the most sanguine a year ago. The ability to fully supply this demand is not sufficient. It is doubtful if it could be fully covered if the supply of labor was sufficient to keep production up to manufacturing capacity.

"Domestic demand for domestic uses and for purposes of export are equally good. Bookings on hand are unusually large, payments are prompt, prices are firm, and if nothing unexpected and unnecessary happens there is no reason to suppose there will be a let-up in our business for several months to say the least.

"We should proceed with caution but with courage and confidence."

HALF MILLION SURPLUS

The Dominion of Canada Guarantee and Accident in 1922, enjoyed a revenue of $1,326,794, of which $1,275,243 was premium income. After taking care of all claims, dividends, etc., there was a balance of $35,934 carried forward into 1923. The surplus of the company over liabilities stands at $500,479, the total assets being $1,382,196.

CANADA'S EXPORT TRADE IN AUTOS MOVES RAPIDLY

Sale of Passenger Cars in December Shows Large Increase

Canada's foreign automobile trade is going ahead rapidly. Sales of automobiles in the last month of last year show a tremendous increase. Tire companies also indicate that there is a heavy increase of their trade. One of the largest producers of tires in the country with a greatly increased production, due to foreign demand, is shipping almost half its output.

In December of 1922 Canada shipped 5,475 passenger cars and 216 trucks. This is a new monthly record insofar as passenger cars are concerned and the total value of the latter reached $3,256,230 with the trucks adding $173,230, and accessories $221,403. The value of the passenger cars alone was $1,000,000 greater than November.

The truck shipments in December though fewer in number, were of a unit value of $800 as compared with $300, making the value of the December truck total 15 per cent. higher than November.

The November and December figures follow:

	November No.	November Value $	December No.	December Value $
Passenger	3,587	2,204,560	5,475	3,256,230
Trucks . .	428	152,073	216	173,230
Total . .	4,015	2,356,633	5,691	3,429,460
Parts . .	..	264,622	..	221,403
Total . .	..	2,621,255	..	3,650,863

The advantages of Canada developing trade with countries of an opposite climate, is being shown by the fact that tire factories are far exceeding their winter production plans. This is due to the heavy export trade they have experienced this winter. One firm stated that its production was ahead 1,000 tires daily and the larger portion of this was going for export. Tropical and other southern countries number among the heavier buyers, although Great Britain still remains the largest buyer.

The total auto export value in December was $3,650,863, an increase of 38 per cent. The passenger car increase on a percentage basis was 47 per cent. Though Britain was the heavy buyer it will be noticed that there was a heavy increase to New Zealand and Australia as well as the Indies. Argentina and South Africa show a marked falling off.

Canada's car exports to different countries follows:

Country of Destination	Passenger Cars No.	Passenger Cars Value	Trucks No.	Trucks Value
U. Kingdom:				
November	980	$ 871,806	3	$4,440
December	2,225	1,598,148	2	1,754
Australia:				
November	1,080	463,567	327	114,992
December	1,425	654,752	162	54,108
New Zealand:				
November	375	207,993	30	10,020
December	588	258,429	12	4,008
India:				
November	103	61,199	18	6,012
December	233	129,118	..	....
Sweden:				
November	11	11,134	..	....
December	153	85,665	..	....
South Africa:				
November	392	142,732	32	10,456
December	151	79,531	10	3,340
Dutch East Indies:				
November	9	3,716	..	....
December	112	38,676	..	....
Argentina:				
November	243	143,588	..	....
December	100	77,143	..	....
Other countries:				
November	414	313,575	18	6,113
December	488	434,768	30	10,020
Total:				
November	3,587	2,204,560	428	152,073
December	5,475	3,256,230	216	173,230

AUTO DISPLACES HORSE

Farm Tractor Increasing in Popularity in States

That the horse is being slowly but surely displaced by the automobile and farm tractor is again evidenced by the annual statement of the Department of Agriculture as to the number of animals on farms in the United States on January 1, 1923. Horses again show a fall in number and aggregate value as has been the case in each year since 1918, while all other animals show an increase in both number and value when comparing the figures of January 1, 1923, with those of the same date of last year.

The number of horses on farms on January 1, 1923, shows a fall of 203,000 as compared with one year earlier, while cows show an increase of 347,000, other cattle of 373,000, sheep an advance of 882,000, and swine a gain of 5,590,000, when comparing January 1, 1923, with January 1, 1922. The value of horses on farms falls off $29,000,000 in the single year 1922, while that of cows increased $14,000,000, other cattle $88,000,000, sheep $105,000,000, and swine $144,000,000.

General Motors Make Five Cars in Canada

General Motors' operations in Canada are increased by the establishment of a Cadillac manufacturing unit at Oshawa. This means that McLaughlin-Buicks, Oaklands, Chevrolets, Cadillacs, Oldsmobile and Samson tractors are now made in Canada for domestic and export trade.

The Cadillac unit will import parts from Detroit.

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COUPE

An average price of 4½ cents this season for Cuban raw sugar would mean gross receipts of about $400,000,000 for the island's 1923 sugar crop, against a little more than $200,000,000 last season. Cuba may easily average more than this, as the low this year was 3¼ cents at which only comparatively a small amount was sold.

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PRICE OF MONEY AFFECTS VOLUME OF EXPORT TRADE

Germany's Low Gold Rate Offsets Foreign Tariffs

VARIOUS TAX SYSTEMS

High Rents and Municipal Taxes Induce Migration to Less Heavily Taxed Countries

By Professor James Mavor, Ph. D.

A brief consideration of the conditions governing the price of money in Germany and elsewhere will be of interest at the present time. Rates of discount, in Germany were relatively low during the war and until recently. Now rates are very high. While Treasury Bills, were and are discounted at the Reichbank at 10% per annum, finance bills were discounted during period of strain in the last quarter of 1922 at enormous rates, especially for carrying bills. In the latter case a rate of 25 to 30% was demanded monthly. In December such rates fell to 10 or 12% per month. The high rates reduced shortly the demand for accommodation, and in January the rate was about 7 or 8% per annum. In other branches of the money market rates were much lower. The consequence of this difference was diversion of capital from industrial or commercial employment of the more lucrative but less wholesome use of finance. With this development was associated the inflation of stocks and a furore for speculation in them.

In other countries the rate of interest is higher than it was before the war, but it has not been multiplied after the same manner as have the prices of commodities.

At the present moment it appears that prices expressed in gold are much lower in Europe than they are in America and are lower in each country in proportion, or nearly in proportion, as its currency is depreciated. This inferior level of price in Europe has promoted the exportation of European goods and at the same time has checked the importation of foreign goods into Europe. In time these two tendencies will bring about an equilibrium of comparative prices. Great Britain and the United States are alike in respect that as regards the rest of the world they are creditor countries, that is countries to which goods or credit must be exported. They are thus in the position of being able to buy relatively cheaply. This relative cheapness, when it applies to goods which are manufactured in the importing countries, produces sometimes disastrous consequences in those industries the conduct of which depends on the maintenance of a certain price level. If that price level is reduced the industries succumb. Tariffs correct this tendency to some extent. Yet the reduction of gold prices has been so great in Germany for instance, that even extremely high tariffs leave no appreciable effect upon importations.

At the present moment Great Britain, although enjoying only a slight advantage in exchange, is exporting goods of certain classes into the United States in spite of a tariff of over 30%, and it is doing so at a profit. In Europe, in general, the costs of production are looked into much more closely than they are either in the United States or Canada. Thus in good times more profit is made as a rule, and, in bad times, less loss. Reserves are also customarily accumulated against periods of depression, more frequently than has been usual either in the United States or Canada. Of late years the taxation, or threatened taxation, of reserves, has militated against the accumulation of these and induced the method of issuing dividends in stock.

The tendency for one nation to adopt an administrative policy which another nation has found to be successful, is very strong. Thus the United States and Canada, under the pressure of the necessity of finding new sources of revenue, have imitated Holland and other countries in continental Europe, as well as Great Britain, in the adoption of a graduated income tax. The rival claims to the enjoyment of the revenue from an income tax advanced by Federal and Dominion, state and provincial, and municipal authorities have been met by the collection of multiple income taxes, a system extremely inconvenient to the taxpayer and of questionable benefit to the community.

Notwithstanding this tendency to imitation there are nevertheless important differences in the tax systems of different countries. Comparison of these is therefore difficult. Before 1913, taxes upon incomes, and therefore direct taxes, were high in Europe and low in Canada and the United States. Tariffs (or indirect taxation), were in general higher in Canada and the United States than in Europe. Municipal taxes were in 1913 much higher in Canada and the United States than they were in Europe. Now, municipal taxes are at least as high in Great Britain as they are in Canada and the United States. For example, of the city of Glasgow, there was a legend that there were no taxes because the profits of the public utilities met all the civic expenses. This legend had never any foundation but at the present time, so far is it from the truth, that the citizens have to pay in taxes a sum more than equivalent to the rent, without the taxes, i.e., 20 to 25 shillings per £ of rent. Disregarding the income tax to which there is no corresponding equivalent in the municipal system in Great Britain, the taxes in Canadian municipalities are less than this amount. Including income tax, (a normal average income being alone taken into account), the total municipal taxation would probably amount to more in Canada and the United States than in England.

Rents of urban property were, and are, in general, higher in Canada than they are in England. High rents and municipal income tax have as a consequence migration to the country or to less highly taxed countries.

Comparative prices are at once essential to know and extremely hard to arrive at with sufficient accuracy for commercial purposes. Yet it is important to know what they are and how they are administered in order to arrive at valid conclusions.

CANADA RANKS THIRD IN GOLD PRODUCTION

Was the Only Member of Empire to Soar Ahead in 1922

Canada was the only country to show a marked improvement in gold production in 1922. The Dominion now ranks as the second producer in the Empire and the third in the world. This year is expected to be marked by a big gold production increase. Producing areas that have been declining will pick up again. The Transvaal is one. The last half of 1922 saw a production £1,700,000 greater than the last half of 1921.

Gold producing figures compiled by Samuel Montague & Co., London, 1922 being estimated, follow:

	1922 $	1921 $	1920 $
Transvaal	149,000,000	712,500,000	173,500,000
Canada	26,500,000	19,400,000	16,500,000
Australasia	17,500,000	20,000,000	24,500,000
Rhodesia	14,000,000	12,500,000	11,500,000
India	9,000,000	8,500,000	9,500,000
West Africa	4,000,000	4,500,000	4,500,000
Total	220,000,000	237,400,000	250,000,000
W'rld T'tl	325,000,000	340,000,000	345,000,000
British %	67.7%	69.7%	69.6%

BIG LUMBER CUT IN NEW BRUNSWICK

Shortage of Labor and Heavy Snows Interfere Somewhat With Operations

From Our Own Correspondent.

ST. JOHN.—The lumber cut in New Brunswick for this winter is expected to exceed that of any winter for the past five years. There have been two drawbacks to a large cut—too much snow in the woods and a dearth of men. In many of the sections so much snow has fallen that cutting concerns have been unable to use horses, in fact conditions have become so acute that several companies have ceased operations.

Regarding the scarcity of men in New Brunswick, the cause is the migration to other provinces and to New England. The American government has allowed two thousand lumberjacks to be imported into New England from New Brunswick, owing to the scarcity of men in New England. Originally the two thousand men were turned back at the border by the United States immigration agents but on the appeal from lumber companies in Maine, New Hampshire and Vermont operations, the United States labor department lifted the bars.

In addition to the two thousand that went to the New England woods, ten thousand men have gone to the woods of Quebec and Ontario. The men seem to prefer New England and Quebec and Ontario because of a desire to travel somewhat, and there is an added incentive in a slight increase in wages.

CATHOLIC BUILDING PROGRAM IN LONDON

From Our Own Correspondent.

LONDON.—According to those in closest touch with the situation 1923 will see very important developments in connection with the project Bishop Fallon has for making London the Catholic educational center of Western Ontario. Plans are now being prepared for a new monastery for the Redemptorist Fathers in East London to cost $75,000. Work is being rushed on a $125,000 nunnery for the Sisters of the Precious Blood and it is stated that plans are being discussed for the new $600,000 seminary to be built in the North part of the city. This project would have been completed had not Bishp Fallon believed he could save considerable money by waiting for prices of building materials and labor to come down. It is stated that a start on the new seminary will be made this year.

Building promises to be unusually active in the spring. A big new plant costing $200,000 is planned by Reid Bros., manufacturing stationers, to replace the building burned this week. A new factory is to be erected by the Orange Crush Bottlers and nearly $2,000,000 is to be expended in new buildings for the Western University. The City council plans an expenditure of $350,000 for new city hall and registry office and the Board of Education has a program involving an outlay of $600,000 for new schools.

WAYAGAMACK PAPER

The annual general meeting of the shareholders of Wayagamack Pulp & Paper Company, Limited, was held at Three Rivers. The following were elected directors: Norman J. Dawes, G. H. Duggan, Hugh Mackay, K. C., Alex. MacLaren, Sir Wm. Price, Jas. W. Pyke, C. R. Whitehead. At a subsequent meeting C. R. Whitehead was elected president and Jas. W. Pyke vice-president.

EARNING POWER OF WORKER AIDED BY INVENTIONS

How Relative Value of Wages to Food Stuffs Has Increased

The engineers, as might be expected, are making a splendid contribution to the discussion of industrial problems. It is natural for an engineer to place the emphasis where it belongs, to-wit, upon the importance of increasing the sum of the goods of which society is in need. Mr. Malcolm C. Rorty, educated and trained as an engineer, now President of the National Bureau of Economic Research, Inc., and Assistant Vice-President of the American Telephone and Telegraph Company, has written an illuminating little book to which he has given the title, "Some Problems in Current Economics." It sketches industrial history, describes the industrial system and shows how gains steadily accrue to the entire working population by improvements in the organization and equipment of industry. Daily wages of carpenters and masons in England between 1766 and 1800 averaged little more than the price of one third of a bushel of wheat, and even so late as 1855 in this country the average skilled worker's wage would buy less than one third as much wheat as to-day. Mr. Rorty says:

The difference lies almost wholly in the mechanical and scientific developments that have taken place—better railways, and greater railway mileage, telephones and telegraphs, improved machinery, and new industrial processes of a thousand kinds.

Political parties may come and go. Theories of reform may wax and wane. But day by day, in thousands of laboratories, in the minds of thousands of inventors, in the workshops of thousands of mills and factories, these constant additions to human productivity go on.

Careful studies have shown that in the United States the annual production of useful goods increases with remarkable steadiness at a rate between 3 and 4 per cent. per annum—while the population increases at the rate of only 2 per cent.

High interest rates, shortened working hours, and the losses in productive efficiency that have come as the aftermath of the war, may for a time check this progress, and may retard the normal steady increase in real wages, as measured by purchasing power. Increased governmental expenditures will also have their influence. In spite of all theories and devices to the contrary, the bulk of the burden of taxation falls in the end upon consumption, and shows up finally in higher prices, higher rents, and higher cost of living. During periods of growing taxation increases in real wages may not, therefore, be revealed by the unusual indices of purchasing power. These may stand still or decline, while the added national productivity is absorbed in improved highways, education, and sanitation, in enlarged national armaments and military expenditures, and in many other forms of productive and unproductive governmental activity.

Unrecognized changes in the character of goods and services are a further factor tending to obscure the normal increase in real wages. The quart of milk which is pasteurized and delivered in a sanitary glass jar is not the same article as the quart of milk, plus assorted bacteria, that used to be ladled from the farmer's milk can. The yeast cake ordered by telephone and delivered by automobile is a different yeast cake from that which used to come home in the housewife's market basket. Housing laws have made five rooms in a modern tenement a different thing from five rooms in the old-style rookery.

Yet, in spite of all these influences tending to hold back both actual and apparent increases in real wages, the normal annual gain in productive efficiency is so great that it must reassert itself sooner or later in tangible improvements in standards of living. Very closely related to this steady gain in human comfort lies the often debated, but fundamentally sound, theory that labor, under conditions of free competition, is the "residuary legatee" and, as such, received, in the end, all the gains from new machinery except a living wage for the new capital invested.

The basis for this theory is simple. Each manufacturer in a competitive field who puts in a new machine, or introduces a new process, does so because he expects to make a saving greater than the interest charges on his added investment. He hopes to retain, and for a time may retain, the entire excess as his own added profit. But, in the end, his competitors will imitate him, and, when this imitation takes place, prices will be reduced to a point where the new investment earns only a normal rate of return and the balance of the gain is passed along to the consuming public.

The most vital interest of the ordinary worker, and of every consumer, lies in maintaining this steady building up of productive machinery. It happens that this development has taken place in the past without increasing the relative share of capital in the output. But it is of comparatively little importance what these relative shares may be, provided only the purchasing power of the worker's wages steadily increases.

EDMONTON WANTS ELEVATOR

From Our Own Correspondent.

EDMONTON.—The Board of Trade of this city is moving in an effort to get a Dominion Government grain elevator here, and to that end is inviting the U.F.A. locals in the district to join with it by signing a petition to Ottawa. In the request thus to be sent to the federal authorities it will be pointed out that central and northern Alberta is the only part of the prairie provinces without interior elevator facilities, and that there is a volume of grain geographically tributary to the Pacific coast route, needing only adequate storage, cleaning, and elevator service, which is approximately equal to that now being carried by American transportation companies from the head of the Lakes to American ports.

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SOME PROFIT TAKING

This Has Been the Only Cause to Halt—Mining Shares Prove to be in Heavy Demand

Trading on the stock markets of the past week has continued broad and active. The general tendency of prices has continued upwards, in some cases strongly so. There have been some recessions, but brokers declare that most of these are to be laid at the door of profit taking. In the last day or so this tendency has had the effect of impairing the aggressiveness of the list. Students of the market declare that the drive is only hesitating and that it will resume with its old force. It is clearly evident that there is a lot of money available for speculation and there has been a large amount of real buying. Certain it is the European situation lost its grip for the time being anyway, whether the latest events will cool the ardor remains to be seen. Buying has centred heavily around three groups, tractions, oils and mines, while Montreal, as always, has given considerable attention to the papers. However, it cannot be said that the activity has been confined. No group has been overlooked.

In the tractions there has been fairly steady buying of some of the leading issues. With but one or two exceptions, one notable one, the list has continued strong.

Montreal has been giving considerable attention to industrials and specialities and this week recorded its most active day of the year. The Textile group has not stood out in the trading, but has nevertheless its leaders in the activity. The paper group members have been either stationary or moving upwards while the Milling shares have continued steady. Oils have provided a lot of trading and some of the issues moved upwards.

There is a feeling abroad, that though bank issues have enjoyed a fairly steady rise, the end is not yet and in some quarters there are predictions being made that most of these issues are still good for advances.

The bond market has lapsed a little after a remarkable activity and advance, despite the many issues coming out. There has been an easing in this regard during the week. Victories also eased a little after establishing new high records during the forepart of last week. It is being pointed out that at the recent high the Victories were yielding just over 5% while there were many other high grade issues selling at much better prices.

The mining list has been a feature. There has been a steady advance practically down the list and a heavy volume of trading which has increased steadily. There have been some slight reactions, mostly profit taking.

The speculative period is not near an end, declare most brokers. They base their statement on the fact that business is steadily improving. Prices of commodities are slowly rising. They say this is great incentive to speculation. Besides there is seemingly plenty of money available. Bache's review for the week gives a brief outline of the history of the Bull market and sees good reason for its continuing.

The present upswing in business and concurrently in the security markets began in September, 1921, and, with minor interuptions, was almost continuously upward for practically a year—the high point in average stock prices having been reached in September last (1922). At that time the gain in average price of twenty rails (in September) was 29 points from the low levels, and in industrials (in October) 40 points. The reaction which then began, had by November 27th carried the industrial and railroad groups both down an average of 11 points. Since then the market, through a more or less dull and irregular period, has advanced, until at the present time rails have recovered 5 points, and industrials about 7 points. This is briefly, thus far, the record of the present bull market.

The advance in prices of commodities promises to continue, with inflation growing and speculation increasing. Such an atmosphere is favorable to a bull market, somewhat irrespective of whether or not profits in business all around are adequate, as they should be, to make an era of real prosperity. As to whether foreign complications might or might not interfere with such a movement, we have had illustration in the rise since last November, which, with some irregularity, has nevertheless proceeded impressively and has been effected, notwithstanding, as one trade journal puts it, it has taken place "in the face of the most disconcerting foreign news since the war." The "disconcerting" character, however, was due more to the introduction of over-emphasized headlines and misinterpretation of results than to actual news. Wall Street seems always, thus far, to have been more accurately posted and to have drawn conclusions of final results with better judgment than the newspaper reader.

BUYS QUEBEC BONDS

A block of $1,125,000 of the 1921 $6,000,000 issue of 5½ per cent. province of Quebec bonds, due May, 1936, and free from succession duties in that province, has been purchased by Rene T. Leclerc, Inc., and Hanson Bros., who will offer them to the public. It is believed here that the purchase was from private holders.

By Increase in New Business of Travellers

From Our Own Correspondent.

MONTREAL.—The Travellers Life had a very satisfactory year in 1922. It is one of the few Canadian companies that increased the amount of new business written in both 1921 and 1922 and its 1922 report stands out also because of an exceptionally low mortality record, the percentage of deaths to expected being only 29.1%.

New business written totalled $5,905,126, an increase of 28% over the 1921 figure of $4,612,298. Total insurance in force now ranks at $17,137,005, an increase of $3,090,000. This would seem to indicate that this company also suffered somewhat from lapses during the year.

Total assets stand at $1,819,271 and the net return on invested assets amounts to 6.26%. It is stated in the report that profits earned are the largest in the company's history. Officers of the company are:

President: J. N. Greenshields, K.C.; Vice-President: Hon. Lorne C. Webster; General Manager: Arthur P. Earle, A.I.A., A.A.S.; Actuary: W. M. Morris, F.F.A.; Chief Medical Advisor: A. E. Garrow, M.D.

TRUSTS & GUARANTEE HAD A GOOD YEAR

Increased Business and Higher Earnings Shown in the Annual Report

The Trusts & Guarantee Co., in its financial statement for 1922, reports substantial growth in practically every department. Net profits for the year stand at $114,095 as compared with $100,143 for the previous year. The aggregate assets now total $27,577,950, an increase of over $2,000,000 for the year. Guaranteed trust funds increased, approximately, $225,500. Estates, trusts and agencies under the care of the company are higher by $2,197,326.

	1922	1921	1920
Profits	$114,095	$100,143	$111,975
Bal forward	275,151	259,582	232,095
	$389,246	$359,725	$344,070
Dividends	84,666	84,574	84,488
Taxes	16,458	....	....
Balance	288,122	275,151	259,582
	$389,246	$359,725	$344,070

Seven Year's Record

Year	Capital Account	Guar. Trust Account	Estate and Agency Account
1922	$1,869,723	$5,776,642	$19,931,584
1921	*1,869,731	5,551,133	17,734,258
1920	*1,735,805	5,422,655	16,383,757
1919	2,722,047	5,363,413	14,046,958
1918	2,507,584	5,182,061	12,783,554
1917	2,484,080	5,214,292	9,083,895
1916	2,460,006	4,601,525	8,342,816

*Paid-up capital included instead of subscribed capital.

At the annual meeting reference was made to the great activity which had prevailed throughout the year in the mortgage field, and it was pointed out that, although the costs of building materials and labor continued high, building operations had been considerable, and were continuing to an unusual extent throughout the winter months. With the strong advance in bond values, and the consequent decreased yield to investors since the beginning of the year, the hope was expressed that, with a furthr continuation of this movement, more money would be available to trust companies under the guaranteed investment plan.

MARITIME 'PHONE REDUCED EXPENSES

Company Was Thus Able to Show Some Increase in the Net Revenue

With some reduction in total receipts and increased charges for maintenance the Maritime Telegraph and Telephone Company, was still able to show a considerable increase in net revenue—$261,926, as compared with $209,499 in the previous year—through the reduction in expenses from $548,672 to $520,204. Following are comparative figures of the profit and loss account:

	1922	1921
Revenue	$1,060,772	$1,036,404
Toll service	365,099	371,885
Miscellaneous	48,460	54,762
Return on invest.	13,380	6,949
Receipts	1,487,712	1,494,757
Expenses	520,204	548,672
Maintenance	510,619	491,775
Net revenue	261,926	209,499
Balance	15,196	20,783

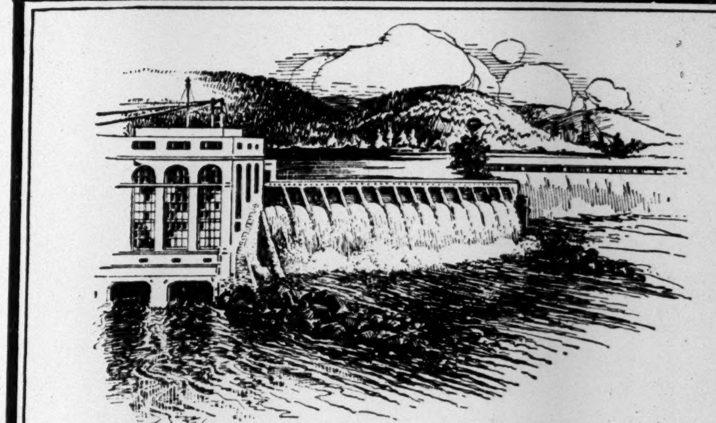
The company's assets are carried at $7,440,580, and include among other items, land and property, $6,654,472; accounts receivable, $216,871; cash and deposits, $241,280, and investments, $235,125. Accounts payable stand at $108,195, and reserves for replacement and contingent at $1,362,364. The report continues:

"The rates now in effect are, we believe, sufficient to enable your company to earn its legal 8 per cent. on its investment under normal conditions; but at present, owing to the general depression of business, the full 8 per cent. is not being earned. Under the circumstances your directors have not asked the Public Utilities Commission for such an increase as will enable the full amount to be earned. They have felt that it would be wiser to carry on under the present rate just so long as the existing dividends can be paid in the hope that in the near future better times will come to the Province in which your company can share without imposing any further burden on its patrons."

Riordon Pays Expenses Creditors' Committee

From Our Own Correspondent.

MONTREAL.—Creditors of the Riordon Company have been notified that expenses of the creditors' committee up to $4,000 per annum will be provided by the company, and no assessment will be made at the present time.



Invest in
Water Power Securities

—a basically sound industry.
—supplying a national necessity.
—for which there is a rapidly increasing demand.
—on practically a cash basis.
—with a product that does not depreciate.
—the average earnings of which have steadily increased throughout the period of depression.

There are few other types of investment so well safeguarded; or with as promising a future.

Write to our nearest office for particulars of Water Power Securities.

NESBITT, THOMSON & COMPANY
LIMITED

305-7 Bank of Hamilton Bldg., TORONTO

MONTREAL HAMILTON LONDON, ONT. WINNIPEG

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STOCK MOVEMENTS OF THE WEEK

Week Ending February 13

BANKS—	Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12+1	201	197½	201	200	200	101
Dominon	12+1	200	—	200	200	200	15
Hamilton	12	170	168	169½	168	169½	24
Hochelaga	10	—	151½	152	151½	151½	37
Imperial	12	185	184	185¾	184½	185	55
Molsons	12	—	175	177	175	176	37
Montreal	12+2	236	233	234½	231	234	263
Nova Scotia	16	261½	—	263	261½	262¾	118
Royal	12+2	—	219	220	219¼	220	67
Standard	14	—	205½	207	205	207	55
Toronto	12	186	184	188	185¾	185⅞	67
Union	10	138	—	141	137½	137½	109
Industrials, Utilities, Etc.							
Abitibi Pulp and Paper Co.	4	69½	69	69½	68½	69½	3837
American Salesbook, com.	8	38	37	38	38	38	10
Do., pref.	7	92	90	91	90	91	53
Asbestos Corporation, com.	6	69¾	68½	70	67½	69¼	936
Do., pref.	7	87½	87	87	86½	87	315
Atlantic Sugar, com.	—	25½	24½	25	23½	24¾	1211
Do., pref.	—	—	42½	42½	42½	42½	10
Barcelona Traction	—	19	18½	19	17⅞	18½	4310
Bell Telephone	8	119½	118	120¼	116½	119	962
Brazilian Traction, com.	4	45½	45½	46	44	45¼	11238
B. C. Fishing	—	24	—	23	23	23	5
British Empire Steel, com.	—	9½	9	10	9	9⅝	420
Do., 1st pref.	7	70	—	69½	67¾	68½	345
Do., 2nd pref.	—	25¾	25¼	26	20¾	25	2040
Brompton Pulp, com.	—	42	41½	42	39¼	41½	12405
Burt, F. N., com.	10	135	134	135	130	134	157
Canada Bread, com.	—	63	62½	64	62	63	187
Do., pref.	7	95	94½	95	94⅞	95	149
Canada Car and Foundry, com.	—	32	30	31½	31	31½	150
Do., pref.	—	70	68	70	68¾	69	300
Canada Cement, com.	6	83½	83⅛	85¾	80	84	6424
Do., pref.	7	102	101	102½	101½	102	206
Canada Steamships, com.	—	18	17	17½	16¾	16¾	132
Do., pref.	—	—	49½	50	46½	49½	1612
Canadian Converters	7	99	98	98½	95	98	1407
Canadian Cottons, com.	8	128¾	128	128¾	119	127	2132
Bird and Son, pref.	7	—	90	89	89	89	5
Canadian General Electric, com.	6	84	82½	84½	82½	83	261
Canadian Locomotive, pref.	7	92	91	92	91½	92	95
Canadian Pacific Railway	10	150	149	150	147	150	280
Canadian Salt	8	101	100	101	101	101	5
Can. Woollens, com.	—	22	—	22	22	22	25
City Dairy, com.	10	149	148	148	145	148	212
Do., pref.	7	—	100	100½	100	100½	29
Cansumers Gas	10	155	153	156	154	155	110
Crow's Nest Pass Coal	6	50	—	48	48	48	10
Detroit United Railway	6	71	70¼	72	70	71¾	1061
Dominion Bridge	4	76	75¼	75	70	75	231
Dominion Canners, com.	—	29	28	29	28	29	170
Do., pref.	7	—	78	76½	75	76½	200
Dominion Glass, com.	7	93½	—	95	92½	92⅞	670
Dominion Telegraph	6	45	43	44	43	44	45
Dominion Textile, com.	12	67	66⅝	67¾	66¼	67	2485
Do., pref.	7	110	108	110	108	110	73
Dominion Coal, pref.	7	85⅛	—	85⅛	85⅛	85⅛	26
Dominion Iron, pref.	7	75	70	75	74	74	56
Dominion Steel Corp., pref.	6	80	—	80	78½	80	74
Duluth Superior	—	31	30	31	29½	31	215
Goodyear Tire, pref.	7	90	88	89	86¾	89	533
Goodwins, com.	—	16	—	16	16	16	20
Howard Smith Paper, com.	6	79½	78⅝	80	78¼	79¼	327
Do., pref.	8	102	101½	102½	101½	101½	30
Illinois Traction, com.	—	48	—	52	48½	50	315
Do., pref.	6	85	84½	85	84	85	193
Interprov. Brick, com.	—	—	60	60	59	60	25
Lake of Woods Milling, com.	12	185	183½	184	180	184	214
Laurentide Paper	6	93½	93	93¼	93	93	891
Lyall Construction	—	49	46	48	44	48	240
Mackay, com.	7+10	120	—	122	118¾	119	1354
Do., pref.	4	—	72	72½	71	72	618
Maple Leaf Milling, com.	8	125	122	121	121	121	25
Do., pref.	7	100	99	99	98¾	99	40
Monarch Knitting, com.	—	30	25	28	27½	28	25
Montreal Cotton, com.	6	112	107	110	107½	110	144
Do., pref.	7	109	107½	109	107½	109	29
Montreal Light, Heat, com.	6	107⅞	—	108	107¼	108	3351
Montreal Telegraph	8	52½	52	52	52	52	51
Montreal Trams	10	157	155	158	155	155	197
National Breweries, com.	4	51¼	51⅛	52⅜	49¼	51¾	3797
N. S. Steel, pref.	8	85	—	85	85	85	4
Ogilvie Flour, com.	12	320	310	320	305	311	407
Ontario Steel Products, com.	—	40	—	39¾	39¾	39¾	50
Ottawa L. H. and Power	6	92½	91¾	92½	89½	92½	704
Penmans, com.	8	145	—	147½	140	147½	1626
Do., pref.	6	—	95	95	93½	95	65
Porto Rico Railways, com.	—	26	—	25	25	25	5
Price Brothers	2	45⅜	45¼	45½	45	45½	870
Provincial Paper, com.	6+1	90	—	89½	89½	89½	25
Do., pref.	7	—	94½	95	93	95	117
Quebec Railway	—	—	24	24½	22¾	24⅜	2750
Riordon Pulp, com.	—	6	5	6	5½	6	210
Shawinigan	7	115⅞	115½	116	115¼	115½	707
Sherwin Williams, pref.	7	99	98½	99	99	99	25
Spanish River Pulp, com.	7	96½	95½	96½	94½	96½	2326
Do., pref.	7	105½	104½	105	103	104¾	1718
Steel of Canada, com.	7	70	69⅞	70⅜	63¼	70	7564
Do., pref.	7	99	97¾	99	95	99	80
St. Lawrence Flour, com.	6	77¾	77½	78	76½	78	154
Toronto Railway	—	93	92½	93	30	92½	750
Tuckett Tobacco, com.	4	85	84	90	82¾	93	5442
Do., pref.	7	56	—	56	53	55	645
Twin City, com.	4	—	90	91	89	91	30
Do., pref.	7	60	59½	62¼	59	60	3888
Wayagamack pulp	—	100	—	100	100	100	25
Western Canada Flour	8	60	59⅞	60	59	59½	155
Winnipeg Electric, com.	—	112	110	113	113	113	5
Do., pref.	7	38	37	38½	33¾	37	1189
Woods Mfg., com.	8	—	83½	84¼	82½	84	197

FIGURE IT IN RENTALS

As between a Thompson-Starrett delivery date of 9 months and a competitive date of 12 months, there is an actual difference of 3 months, but it may easily enough be a difference of 6 months, for the Thompson-Starrett Company, Limited, certainly will complete the work in 9 months, whereas a less efficient organization may take 15 instead of 12.

Thompson-Starrett Company, Limited

Building Construction
910 Drummond Bldg., Montreal

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction Company for the week ending February 7, amounted to $36,415 as compared with $34,123 for the corresponding period in 1922, an increase of $2,292 or 6.7 per cent.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter from January 22 to 31, amounted to 10,505 tons, 9,231 tons of which were produced by the company's mines and 1,274 tons by other mines. For the month of January the receipts totalled 35,978 tons.

WOODS MFG. CO. HAD BETTER YEAR: PROFITS $400,000

Dividends Were Earned and $68,000 Put Into Surplus

From Our Own Correspondent.

MONTREAL.—Three annual reports that came out this week of Canadian industrial corporations were similar in one respect; each indicates that the dividends paid during 1922 were earned during the year instead of being paid out of surplus account as had been done in the two or three years previous. The companies represented were Bell Telephone, and Canada Cement, which are dealt with elsewhere in this issue, and the Woods Manufacturing Company. In 1921 the Company had earned only 70 per cent. of the preferred dividend and had paid the common entirely out of reserve. Last year, however, the company had so improved its earning position that it was able to pay both preferred and common dividends out of profits for the year and put $68,000 into surplus account.

There was a gross profit on operations for the year of $400,552 as compared to $160,912 in 1921 and a loss on operations of $412,000 in 1920.

	1922	1921
Operating account ..	$400,552	$160,912
Deprec. & Bond Int.	86,756	89,874
Balance before div....	313,796	71,018
Pref. div.	108,255	108,255
Com. div.	137,488	137,488
Surplus for year	68,053	*174,725
Previous surplus	341,123	515,848
	409,176	341,123

*Deficit.

Working capital again suffers a decline, the surplus of current assets over current liabilities amounting to $930,859, as against $1,179,735 in the previous year as this tabulation indicates:

Working Capital Account

Current Assets—	1922	1921
Inventories	$1,752,897	$1,502,364
Accts. receivable	743,672	490,974
Bal. from sale of Winnipeg prop.	32,600	86,250
Investments .. .	12,640	11,862
Cash	13,880	5,497
	$2,555,690	$2,096,948
Current Liabilities—		
Bank loan	818,000	398,758
Accts. payable ..	798,956	509,705
Bond interest ..	7,875	8,750
	$1,624,831	$ 917,213
Bal. work. capital	930,859	1,179,735

Total assets show an increase from $6,447,610 to $7,169,220.

HOTEL EARNINGS UP

The King Edward Hotel Co. is experiencing a better run of business than was the case a year ago. The first two months of a year are generally quiet ones, but this year's operations have been such that a nice profit is anticipated. Strikes, especially during the 1921 tourist season, handicapped the company last year. This resulted in the directors taking no action on a dividend on the common. King Edward construction dividends were met. As the United Hotels Co. and associated interests hold the majority of King Edward Hotel stock, it was felt that such action would cause a minimum discomfort and would be in the best interests of the company. Dividends were formerly carried on this stock at the rate of 10 per cent, per annum, payable half-yearly. The company's annual statement is now in the course of preparation.

CROWN TRUSTS HAS INCREASE IN PROFITS

Also Took $10,000 From Reserve—Usual Dividends Are Paid

From Our Own Correspondent.

MONTREAL.—Crown Trust Company transferred a sum of $10,000 from its contingent reserve against depreciation in Victory Bonds on the ground that this was no longer required and with an increase of $9,000 in net profits was able to pay the usual dividends and transfer $25,000 to reserve. Reserve fund now stands at $100,000 and there is $22,949 to credit of profit and loss account.

Net profits for the year were $50,561 as compared with $41,999 in 1921. The appropriations compare:

	1921	1922
Gross profits	$107,749	$118,253
Management, etc. ..	65,750	67,692
Net profits	41,999	50,561
Balance forward	30,389	17,388
Trans. from res.	....	10,000
Total	72,388	77,949
Less—		
Dividends	30,000	30,000
Reserve	25,000	25,000
Forward	17,388	22,949

Total assets stand at $856,429 on the account of the company itself, while estates, trusts, funds, etc., total $5,279,635.

At a meeting of the board of directors, Arthur Lyman was elected vice-president of the Crown Trust Company, to succeed the late S. H. Ewing.

Foreign Exchange

Through the close connection of our British and Foreign Department with our agencies abroad, this Bank has particularly advantageous arrangements for the buying and selling of drafts, and is able to give the closest possible rates on all Foreign Exchange. 348

IMPERIAL BANK
OF CANADA

OVER 200 BRANCHES IN DOMINION OF CANADA.

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited, Belfast and Branches. Agents in FRANCE: Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

THE FOUNDATION COMPANY
LIMITED
ENGINEERS CONTRACTORS

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

DRUMMOND BLDG., MONTREAL

New Issue **$1,000,000**

Charles Walmsley & Company (Canada) Limited

6% First Mortgage Twenty-Year Sinking Fund Bonds

Guaranteed unconditionally both as to principal and interest by

Sir W. G. Armstrong, Whitworth & Company
Limited, of England

To be dated February 1st, 1923 — Due February 1st 1943

Interest payable semi-annually February 1st and August 1st. Principal and interest payable in Montreal, Toronto, and Quebec. Bonds issued in denominations of $1,000 and $500 Bonds may be registered as to principal.

Trustee—National Trust Company, Limited, Montreal.

Bankers—The Canadian Bank of Commerce.

Legal opinion of Meredith, Holden, Hague, Shaughnessy & Heward.

CAPITALIZATION (when present financial plans completed)

Common Stock: Authorized—$1,500,000. Issued—$1,500,000.
Bonds Authorized—$1,500,000. Outstanding (this issue)—$1,000,000.

The remaining $500,000. of bonds can be issued against 66 2/3% of cost of additions to property and plant, but only if the net earnings of the Company for the next preceding fiscal year, are at least three times the amount of the annual interest charge on the $1,000,000 of bonds now being issued.

SINKING FUND

An annual sinking fund has been provided commencing February 1st, 1926 of 3% of the amount of bonds issued, which will retire approximately 80% of these bonds by maturity. The bonds will be purchased in the open market, if obtainable, at or below call prices; if not they can be called on any interest date on 30 days' notice, at the following prices: 105 and Accrued Interest from 1923 to 1927 inclusive; 104 and Accrued Interest from 1928 to 1932 inclusive; 103 and Accrued Interest from 1933 to 1937 inclusive; 102 and Accrued Interest from 1938 to maturity The bonds are callable either for sinking fund purposes or as a whole at the above mentioned prices

From information received from Charles Walmsley & Company (Canada) Limited, we have summarized the following:

THE COMPANY AND ITS BUSINESS:—Charles Walmsley & Company (Canada) Limited is controlled by Sir W. G. Armstrong, Whitworth & Company, Limited, of England; the latter Company also owns Charles Walmsley & Company, Limited, of Bury, England, who manufacture the latest type of pulp and paper making machinery. The Canadian Company will manufacture this machinery in Canada under the rights and patents of the English Company, with an initial capacity valued at over $2,000,000. The Canadian demand for the English Company's machinery has been so great in the past that orders have had to be refused. Machines of the English Company have been supplied to a large number of Canadian companies, among others the Abitibi Power & Paper Company, Price Brothers and the Belgo Paper Company, Limited. It is expected that the Canadian plant will be in operation by June 1st, and substantial orders have already been booked. In addition to the market for new machines, there is a constant demand for spare parts, which will give the Canadian company a large business.

SECURITY:—REAL ESTATE, BUILDINGS & PLANT. The present plant being taken over by the Charles Walmsley Company (Canada) Limited, is conservatively valued at............ $1,254,000
Additions and improvements are being made to this property amounting to over 450,000
Making a total of approximately........ $1,704,000
of real estate, buildings and plant available as security for the $1,000,000 of First Mortgage Bonds now being offered.

TOTAL NET TANGIBLE ASSETS:—The total net tangible assets of the Company (fixed and current) available as security for this bond issue will be over $2,100,000.

PURPOSE OF ISSUE:—The proceeds of this issue will be used for additions to the property and plant of the Company and to give the Company additional working capital.

EARNINGS:—On a turn-over of only $500,000, (less than one-quarter of the plant's annual capacity) it is estimated that net profits will be more than sufficient to pay bond interest. From the history of the English Company, which has operated to capacity for many years and made substantial profits, it is expected that the Canadian Company will very shortly be doing a large and profitable business. The English Company at present has orders on its books for over $2,000,000 of machinery from Canada.

GUARANTEE OF SIR W. G. ARMSTRONG, WHITWORTH & COMPANY, LIMITED

The bonds are unconditionally guaranteed as to principal and interest by Sir W. G. Armstrong, Whitworth & Company, Limited of England, which is one of the largest engineering, shipbuilding and construction Companies in the British Empire. The guarantor's balance sheet as of the 31st of December 1921 (Sterling converted to currency at $4.66 to the £) shows fixed assets and investments in subsidiaries in excess of debenture debt outstanding to the extent of over $43,000,000
The net current assets, after deducting all liabilities and without including investments amounted to over $13,000,000
Making a total of net tangible assets in excess of all liabilities, including debenture debt of over....................$56,000,000
Average net earnings of the Company available for this guarantee for six years ending December 31st, 1921, after deducting all charges, amounted to......$ 3,236,000
Net earnings for the year ending December 31st, 1921, after all charges, amounted to$ 2,045,000
The annual interest on $1,000,000 of bonds of Charles Walmsley & Company, (Canada) Limited, amounts to........$ 60,000

This is the only issue of bonds outstanding guaranteed by Sir W. G. Armstrong, Whitworth & Company, Limited, of England.

The standing of Sir W G Armstrong, Whitworth & Company, Limited, of England, is indicated by the fact that the Bank of England acted as bankers for the Company in receiving subscriptions to the last issue of their securities in Great Britain.

Price: 97¼ and Interest to yield about 6¼%

Newman, Sweezey & Co. Limited — Montreal
McLeod, Young, Weir & Co. Limited — Toronto, Montreal

Dominion Securities Corporation, Limited
Montreal — Toronto — London, Eng.

News and Views for Investors

CANADIAN COTTONS

Rumors of an increase in the dividend rate from 8 to 10 per cent. have been associated with Canadian Cottons. Of late this stock moved up from 109 to 128.

KEORA FINANCING

Negotiations to finance operations on the Keora are being carried on, with what promise of success is not stated. This is one of the most promising properties so far undeveloped in the whole Porcupine camp.

REORGANIZE LA PALME

The La Palme Mining Company is to be reorganized with a view to new financing in the spring. Recently a block of shares was sold at 8 cents to clear up matters that the reorganization might be gone on with.

MT. ROYAL PREFFRRED

Not a little trading has been going on of late in unlisted securities circles in Mt. Royal preferred with bonus of common. The ruling price has been 91 with blocks of $3,000 and $5,000 worth changing hands at that price.

LIST SUGAR ISSUE

Application has been made to the Montreal Stock Exchange for the listing of $4,000,000 8 per cent. preferred and $5,000,000 common stock of Cuban Sugar Company and that the stock is likely to be called on the floor of today.

DAVIDSON VALUES

Drill core assays from the Davidson property in Porcupine continue to show good values. At 678 ft. in one hole $6 values were secured. At 1,785, $11.60, over a width of 5 ft. At 1,790 over 2-ft. values were $19.20. The next foot is $14.40. Two other holes show encouraging values.

WATCHING VIPOND

No little attention is centered on Vipond these days. This property has been heavily traded in and recent announcements that underground development was steadily nearing the Hollinger border was responsible for the material advance in the price of the issue.

British interests in control of the Keeley silver mine in South Lorraine have fairly large holdings in Vipond.

HATTIE'S OUTLOOK

"We have some very nice showings and we have the geology," said Carlos Warfield recently, when asked how "The Hattie" gold property was looking up. Reports are that excellent progress is being made and excellent results achieved. The property is in excellent hands. It is significant that John K. Popassimakes, one of the heads of the company, said they were not interested in what the market thought of the property. They were quite satisfied for the price to stay down as they were buying all the time.

PREDICT MILLION SHARE DAYS

There is great enthusiasm among traders in mining issues. They are predicting all kinds of things and the fact that the Standard Mining and the Toronto Stock Exchange have adopted the continuous session plan, leaves the impression that these interpreters of trading signs are looking for big things. James McCandless bet $100 at the Standard recently that by May million share days would have been witnessed. The stipulation is that the winner shall donate the money to the Sick Children's Hospital.

TORONTO RAILS

It is generally held that the Toronto City Fathers are playing municipal politics in launching an appeal against the arbitrators' award of $11,188,500 for the Toronto Street Railway. It is announced that the appeal is to be taken on points of law and in this regard the general feeling is that the company has nothing to fear. It is conceded in all quarters that now that litigation has started, the wind-up will be at the Privy Council. THE FINANCIAL POST has pointed out before, the company stands the best chance here. The highest court in the land is looked upon as perhaps the one outstanding body that has not been susceptible to the public ownership fever. In other words, corporations, when they have found themselves pitted against municipal governments, have got the best satisfaction out of disputes when they have been carried over the water. In the meantime, of course, there has been a material decline in the price of the stock and it is likely that the issue will continue weak for some time.

PAYING UP INTEREST

Many companies will envy the showing of The Toronto Mortgage Company as regards arrears of interest. At the end of the company's year only some $1700 interest was overdue. At the annual meeting on Wednesday—six weeks later—the manager announced this was reduced to $239, and that this was overdue because the three Ontario farmers owing the amount are having difficulty getting to town because of bad roads.

HOLLINGER AND POWER

There has been considerable selling of Hollinger due to nervousness over the power situation. There are rumors about in regard the new Hollinger power scheme striking a snag with the Abitibi people and also over the suit with the present Power Co. However, the main point at stake is that the company is out to get power, either one way or another. Sales Wednesday were about 6,000 shares but the number of sellers were limited. One man is known to have unloaded 1,600 shares at a point above $14. The most of it cost him but a few dollars. Most of the buyers of Holly are looking for a 20 per cent. dividend rate and perhaps a bonus after March.

CLARKE BROS. PAPER

The affairs of Clarke Brothers, of Bear River, N. S., are rather complicated for the present as a result of the recent decision whereby their sale of bonds to Jones and Co., of New York, was upset in the courts. The contention in the action was that when the bonds were placed it was represented that it was a first issue, whereas there were two prior issues. This decision completely upsets the plans of the company.

The bond issue in question was for $600,000, prior lien on the Clarke Brothers Pulp Company. The bond issues already in existence pertained to the paper plant. The fine distinction was made that the companies were separate. The plan was to later have the bondholders of the paper concern exchange them and so bring the pulp and paper plant under one head. Until some other method of financing is adopted, the affairs of the company must lay dormant. The plant is shut down. It is stated that an announcement of new plans might be made in a week or so.

DIRECTORS LARGE SHAREHOLDERS

The directors of The Toronto Mortgage Company have holdings of stock in the company which, with the holdings of their families, amount to more than one-third of the total capital stock, or over $250,000. This point was brought out at the annual meeting of the company on Wednesday, when Walter Gillespie, the manager, cited this as at least one reason for the close and careful attention the directors give to the affairs of the company.

Wills of the two directors the company lost by death during the year—C. S. Gzowski and Thos. Gilmour—show these gentlemen were also large holders of stock in The Toronto Mortgage Company, so that counting the shares of their families, the percentage of shares held by those very close to the company is even greater than Mr. Gillespie indicated. It is, as one shareholder commented, a state of affairs that gives the small shareholders every confidence in the management.

COMMON DIVIDEND EARNED IN 1922 BY CANADA CEMENT

Company Had Surplus After Year's Disbursement of Six Per Cent.

WORKING CAPITAL UP

President Frank P. Jones Looks for Better Business in 1923 Though Increase Will Not be Large

From Our Own Correspondent.

MONTREAL.—During 1919, 1920 and 1921 Canada Cement Company continued to pay dividends upon its common stock but had to draw upon the very substantial reserve to do so. Last year however common dividends were earned. The year's operations for 1922 after paying all charges and making substantial allowances for depreciation resulted in earnings of 6.2 per cent. on the common stock as compared with 3.88 per cent. in 1921 and 3.1 per cent. in 1920. Yet Frank P. Jones, president of the board, states that the "volume of business during 1922 was not satisfactory, the total consumption of cement in Canada at the present time being less than normal." He looks for a larger business in 1923 but not a large increase. "However," he continues, "we do feel that the corner has been turned and each year there should be a steady improvement until Canada gets back at least to her normal consumption of cement."

Mortgage on Building

The company is now occupying its new office building erected at a cost of about $2,000.000. The building however does not represent an investment by the company of that sum as a mortgage for $900.000 has been placed on the structure. Mr. Jones says, "The mortgage was placed notwithstanding your company's strong liquid position and the fact that it has a surplus of current assets and investments over current liabilities of $6,011,863 of which $2.289.-430 is in bonds and $1.216.277 is in cash. Your directors feel that the company should maintain its liquid position in order to carry it through any period of lessened earnings whether brought about by trade depressions or otherwise."

Net earnings after depreciation totalled $2,403,101 as compared with $1,820,941 in 1921. This is the highest total since 1917. The balance sheet indicates that depreciation during the year was taken as $1,679,929 which compares with only $815,529. Obviously earnings before depreciation were about $1,400,000 higher than in the previous twelve months period. The comparative earnings and distributions for two years were:

	1922	1921
Earnings after depreciation	$2,403,101	$1,820,941
Bond interest	360,250	376,684
	$2,042,851	$1,444,257
Pref. dividend	735,000	735,000
	$1,307,851	$ 709,257
Com. dividend	810,000	810,000
	$ 497,851	$ *100,743
Reserves	458,732	194,177
Surplus	$ 39,119	$ *284,930
Prev. surplus	614,041	898,970
	$ 653,159	$ 614,040

*Deficit.

Working capital is much enlarged due to large reductions in inventories. Cash on hand is greatly increased and the bank loan has disappeared from the balance sheet.

Items in the working capital account compare as follows:

Working Capital Account

	1922	1921
Current Assets—		
Inventories	$2,392,394	$3,293,865
Acc. rec.	579,316	456,152
Bills rec.	17,692	15,301
Cash	1,216,277	27,227
Deposits	83,885	57,337
	$4,289,564	$3,849,882
Current Liabilities—		
Acc. pay.	1,425,437	955,028
Int. accr.	86,961	91,096
Bank loans	....	675,000
Pref. div.	183,750	183.750
Common div.	202,500	202,500
	$1,898,649	$2,107,684

Imperial Trusts Had A Satisfactory Year

A marked increase in profits is shown in the annual statement of the Imperial Trusts Company for 1922, the total of $26,447 comparing with $14,687 in 1921 and $22,857 in 1920. After the payment of dividends the balance was substantially increased as indicated by the following summary:

	1922	1921	1920
Net profits	$26,447	$14,687	$22,857
Bal. forward	22,644	20,942	10,417
	$49.091	$35.629	$33.274
Dividends	13,665	12,984	12,332
Balance	35,426	22,645	20,942
	$49,091	$35,629	$33,274

The president, James H. Mitchell, reports that notwithstanding the continued serious depression during the year, trust deposit balances have maintained a satisfactory average. Strictly liquid securities are placed at 69.8 per cent. Estates, trusts and agency accounts under administration have increased $3,685,982 to $3,850 299. Total assets are valued at $5,073,086 as compared with $4,949,013 for the previous year. Paid up capital has been increased $12,146 to $238,183.

Guarantee Co. Paid 22 Per Cent. in Dividends

The Guarantee Co. of North America is just presenting its 50th annual report to its shareholders and shows an income for the past year of $650,797. The gross profit for the year was $228,064 out of which $67,012 in dividends, 12 per cent. and a bonus of 10 per cent. were paid. After allowing for depreciation and reserves, there remained $58,851 to add to surplus bringing this sum up to the large total of $1,919,969. The surplus as regard policyholders is $2,224,569.

BRITISH EMPIRE STEEL

The British Empire Steel Corporation has in prospect a very considerable building equipment programme, according to announcement. There is contemplated a complete renewal on a large scale of the coal carrying equipment, which will probably comprise an order of 200 forty-ton capacity steel cars and 500 fifteen-ton wooden hopper cars.

FORD STARTS NEW PLANT

The Ford Motor Co. has started the erection of its new production plant at Ford City, which when completed will allow for the output of the company to be doubled from 250 cars daily. There will be 3,500 machines in the new building and 5,000 men will be employed with a capacity for 10,000. The machinery from the present structure will be moved in when the new building is ready and the present factory will be turned into a body making department.

CLEANING DOMINION SAVINGS ASSETS UP

Huron and Erie May Have to Wait to Realize on Some Realty

The Huron and Erie has realized $663,903 to the end of 1922 in winding up the assets of the Dominion Savings of London, and places an estimate of $729,938 on the remaining security. This would be a total of $1,393,842, which is $150,378 greater than the estimate of June 15. The value of the whole as per the Dominion Saving's books of June 15, was $2,157,711, which is three quarters of a million greater than the total of the Huron and Erie as of the end of the year.

The liabilities of the society as of June 15, were $939,390, which has since been added to by $19,439, bringing the total at the end of 1922 to $958,830. Deducting expense $56,-896, and cash on hand $6,883, leaves $600,124 applied to the reduction of liabilities. The excess of ascertained liabilities over amounts realized from assets at the year end was $358,706. There is still an expense balance of $43,103, and an estimated liability yet to be paid of $401,809.

It is pointed out that many of the unsold assets are of such a value that it is impossible to say how long it will take to turn them into cash. Vacant lands in Winnipeg, and the Soo, are examples.

Premier Trust Had Increased Earnings

Net profits of the Premier Trust Company at $8,821 showed a considerable increase over the previous year. After payment of dividends $2,000 was added to the reserve fund, the balance being slightly reduced. Following are comparative figures:

	1922	1921	1920
Net profits	$ 8,821	$ 7,168	$ 7,349
Bal. forward	221	1,568	1,065
	$ 9,042	$ 8,736	$ 8,414
Dividends	6,955	6,515	6,321
Reserve	2,000	2,000	2,000
Balance	87	221	93
	$ 9,042	$ 8,736	$ 8,414

The company's earnings record since 1917 is summarized as follows:

	Capital Account	Guar. Account	Estates, Trusts, Etc.
1922	$155,880	$66,990	$706,449
1921	152,691	52,690	652,401
1920	141,362	42,540	443,567
1919	139,536	33,026	344,604
1918	137,941	21,776	307,486
1917	128,500	20,436	31,039

Investments in the company's guaranteed receipts increased from $52,-690 to $66,990 during the year.

INCREASING PROFITS OF DOMINION STORES

Rising Percentage in Recent Years—New Stores Increased Expense Ratio

Dominion Stores, Limited, made almost 2% net on their turnover in 1922. In 1921 it was 1.7% and 1920, 1.4%. These figures are based on a turnover of $5,059,508.83 last year with a net profit of $100,092.11; in 1921, a turnover of $3,461,153.30 and profit of $58,245.23, and in 1920, turnover of $2,401,631.43 and net profit of $34,679.12.

The increase in the number of stores in these three years is shown by following figures: 1920—62 stores, 1921—122 and 1922—190 stores.

It is interesting to note further, says Canadian Grocer, while turnover and profits increased rapidly during the three years, due to the opening of so many new stores, the percentage of expense based on turnover also increased. This will be noted from these figures:

Year	Operating Expense	
1920	$347,383.13	14.4%
1921	536,418.41	15.5%
1922	866,877.51	17.1%

Taken as a whole the figures indicate that in 1922 the company had a good year; also that, evidently, goods were marked up more last year to earn almost 2% net and yet cover an expense of 17%.

Chartered Trust Had A Year of Expansion

Profits of the Chartered Trust and Executor Company for 1922 showed a very substantial increase, the total of $50,731 comparing with $38,220 for 1921 and $37,644 for 1920. In addition there was available for distribution premiums on stock amounting to $6,037. After providing for dividends and taxes $10,000 was added to the reserve fund and the balance substantially increased to $10,-837. Following are comparative figures:

	1922	1921	1920
Profits	$50,731	$38,220	$37,644
Prem. on stock	6,037	....	....
Bal. forward	4,207	3,820	1,183
	$60,975	$42,040	$38,827
Dividends	35,184	33,782	34,008
Reserve	10,000	1,500	1,000
Prov. for tax	4,955	2,550	....
Balance	10,837	4,208	3,819
	$60,976	$42,040	$38,827

The net earnings are at the rate of 10.1 per cent on the average paid up capital for the year after deducting the cost of management, directors' fees and other expenses. The subscribed capital of the company was increased during the year from $504,000 to $611,600 and the paid up capital increased from $484,456 to $515,556. The balance sheet shows total assets of $8,100,078 as against $7,834,800 in the previous year.

The Leading Life Company of the Dominion

Records in 1922

THE BEST YEAR IN ITS HISTORY

Results for Year Ended 31st December

Assurances in force - - - $631,404,869.49
Increase for year, $94,686,738.96
(Including Reassurances)

Assets - - - - - - - - - 174,088,858.32
Increase for year $44,716,730.99

Cash income - - - - - - - 36,251,322.13
Increase for year, $5,144,172 97

Payments to policyholders - 15,615,505.85

Surplus over all liabilities and capital - 14,269,420.95
Increase for year, $3,885,511,85

New assurances issued and paid for in cash - - - - - - - - 90,798,648.79

AVERAGE RATE OF INTEREST EARNED 6.27%

SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE: MONTREAL

CANADA'S PAPER PRODUCTION 1922 A MILLION TONS

Close Estimate Shows Dominion Close on U.S. Heels

GROWTH STEADY

Next Eighteen Months Will Add Materially to Output and Near States' Figures

The demand for newsprint shows no let up. The past year has been a record one. Production increased very materially and consumption kept apace. Newspapers, the continent over, have been steadily increasing the size of their publications, while their circulations have also crept up steadily. Both these are important factors in the consumption of newsprint.

It is freely predicted that consumption this year will equal the 1922 total of over 2,400,000 tons, 16 per cent. more than in the record-breaking 1920 year. Consumption per capita is estimated at 44 pounds compared with 15 pounds in 1900.

Actual consumption figures for last year will not be available until March when statistics covering imports and exports are published. It is safe to assume that total imports from Europe were not more than 100,000 tons at the most and that they were offset to some extent by our exports to South American countries and the Orient.

For the first time in history Canadian production passed 1,000,000 tons. The 1922 output is estimated at 1,082,000 tons against 876,000 tons in 1920, up to that time the highest on record. United States' output last year was about 1,448,000 tons compared with 1,512,000 tons in 1920. Combined output of two countries was 2,520,000 tons against 2,400,000 tons in 1920.

Production in tons for United States and Canada with 1922 estimated on basis of figures of the U. S. Newsprint Service Bureau follows:

	1922	1921	1920
U. S. mills	1,448,000	1,225,000	1,512,000
Can. mills .	1,082,000	813,000	876,000
Total . . .	2,520,000	2,038,000	2,388,000

That the United States is becoming more and more dependent on Canada for newsprint supplies, and it is also to be noted that Canada has assumed the full burden for the increased demand. The Wall Street Journal places no little emphasis on the market in dealing with the question, pointing out that ten years ago Canada's output was 250,000 tons, while in the meantime the U. S. production has practically stood still.

Comparison of output follows:

	U. S.	Canadian
1922*	1,448,000	1,082,000
1921	1,225,000	813,000
1920	1,512,000	876,000
1919	1,375,000	808,000
1918	1,260,000	740,000
1917	1,359,000	690,000
1916	1,315,000	608,000
1915	1,239,000	489,000
1914	1,283,000	455,000
1913	1,305,000	350,000
1912	1,432,000	256,000

*Estimated.

New paper machines which should get under way during the next year should add 400,000 tons to the yearly total. By 1924 Canadian mills should be producing as much newsprint as those of the U. S.

The Mercantile Trust Added to Contingent

Out of net profits of $45,116, which compared with $46,517 in the previous year and $52,736 in 1920, the Mercantile Trust Company paid usual dividends and added $11,000 to the contingent fund. The balance was increased from $6,831 to $10,947. Following are comparative figures:

	1922	1921	1920
Earnings	$48,616	$55,325	$56,736
Written off	....	5,308	....
Tax reserve	3,500	6,500	4,000
	$ 3,500	$ 8,808	$ 4,000
Net profits	$45,116	$46,517	$52,736
Bal. forward	6,831	16,314	7,578
	$51,947	$62,831	$60,314
Distribution—			
Dividends	30,000	30,000	35,000
Contingent	11,000	1,000	2,500
Reserve	....	25,000	..
Depreciation	....	....	6,500
Balance	10,947	6,831	16,314
	$51,947	$62,831	$60,314

Following is a summary of the company's earnings record since 1916:

Year	Paid-up Capital	Profits	Div.	% on av. Cap.	Earn Rate
1922	$500,000	$45,116	6	9.0	6.9
1921	500,000	46,517	6	9.3	7.0
1920	500,000	52,736	6+1	10.5	8.3
1919	500,000	45,725	6	9.5	7.6
1918	487,600	43,694	6	9.0	7.4
1917	483,500	40,889	6	8.4	7.1
1916	469,500	39,990	6	8.7	7.4

Assets are higher at $7,189,644 comparing with $6,117,169. Trust accounts stand at $1,167,768 compared with $1,140,907 and original unrealized assets at $5,021,522 compared with $4,000,808.

PICTURE HOUSES AS RISKS

There has not been a serious moving picture theatre fire in Canada in the past five years. Not a single life has been lost in such fires in the Dominion in that period. These facts came out at Ottawa recently when it was proposed that the use of nitrocellulose film should be banned from use in Canada.

WOOLWORTH EARNINGS

New High Records Established Last Year

Report of F. W. Woolworth Co. for year ended December 31, 1922, shows surplus of $17,624,399 after depreciation, federal taxes and preferred dividends, equivalent to $27.11 a share earned on $65,000,000 common stock. This compares with surplus of $13,022,960, or $20.04 a share in previous year.

Net profits and dollars per share earned in 1922 were largest ever reported. Sales of $167,319,265 were also a new record while profit a dollar of sales, 10.95 cents, was best thus far exceeding 10.01 cents in 1916, previous best year.

CUBAN-CANADIAN UP PRIOR TO LISTING

Conditions Have Improved in Sugar Industry and Shares Reflect Condition

From Our Own Correspondent.

MONTREAL.—Improved conditions in the raw sugar industry were responsible for a rapid rise in the stock of Cuban Canadian Sugar. The preferred had been selling around 29 a few weeks ago and sold up to 43 and 44 this week on the "curb." Common went from 6 to 11. This was prior to the listing of the stock on the Montreal Stock Exchange. Both prefered totalling $4,000,000 and common, totalling $5,000,000, were called this week, making the first sugar producing company's shares to be listed in Montreal.

Preferred dividends have not been paid since January 1921 and are now 16 per cent. in arrears. The preferred is an 8 per cent. stock. While conditions have improved and profits are on a much more satisfactory basis now there is no talk now of resuming dividends on the preferred shares and the market price of the stock seems to indicate that none is expected.

From the 1919-20 cane crop the company produced 141,536 bags of sugar, and showed a profit at June 30th, 1920, aftr payment of preferred dividends of $323,000. From the 1920-21 crop 165,558 bags of sugar were produced, but owing to the very marked decline in raw sugar prices which took place during that period the company showed a loss as at June 30th, 1921, of $1,266,000. Last year the company's output of sugar was 207,580 bags, and the company made a profit before dividends of $48,000.

MOUNT ROYAL HAS 3,000 SHAREHOLDERS

First Report of Big Hotel Indicates Small Shortage in Current Account

From Our Own Correspondent.

MONTREAL.—First annual meeting of the Mount Royal Hotel was held this week but the report presented covered too short a period of actual operations to give any adequate idea of the earning possibilities of the new hostelry. Frank A. Dudley, the president, stated that gross earnings during January 1923 were up to expectations, confirming original estimates of earning power. Already numerous important conventions have been booked.

Report indicated a shortage of current assets over current liabilities of $44,966, accounts payable aggregating a large sum, but it is probable that since the end of the year the liquid position of the company has improved as over half of the $712,000 of debentures shown on that date as in the treasury have been sold since. On the other hand there are still items of expenditure on construction account to be met.

An interesting feature of the president's remarks was a tabulation of the whereabout of the shareholders of the hotel. The hotel has 2,891 shareholders holding an average of about 10 shares of stock each. Excluding the 33 largest shareholders the others hold an average of five shares apiece. There are 439 shareholders in Toronto, 1,000 in Ontario towns and 103 in Montreal, the rest being scattered all over the Canada and the United States.

Directors were elected as follows: Frank A. Dudley, W. M. Birks, Hon. W. J. Shaughnessy, A. D. MacTier, Brig.-Gen. J. Leslie Kincaid, G. H. Duggan, Col. F. S. Meighen, Hon. Smeaton White, Hon. C. P. Beaubien, E. R. Decary, Commander J. K. L. Ross, W. A. Mackenzie, W. W. Butler and F. W. Rockwell.

At a subsequent meeting of the directors the following officers were elected: President, Frank A. Dudley; first vice-president, Wm. M. Birks; second vice-president, F. W. Rockwell; third vice-president, Hon. W. J. Shaughnessy; secretary-treasurer, D. H. McDougall.

NATIONAL TRUST APPOINTMENT

At a meeting of the Board of Directors of the National Trust Company, D. H. Cooper was appointed to the position of Superintendent of the company's Western branches in Manitoba, Saskatchewan and Alberta, while A. S. Bond was made manager of the company's branch office at Winnipeg. Mr. Cooper was formerly manager at Winnipeg and Mr. Bond Assistant Manager there. These changes have been made necessary by the development and growth of the National Trust's business in the West.

HILLCREST COLLIERIES

Hillcrest Collieries is now producing about 1,500 tons a day of coal, the general manager, J. M. Mackie, states. The business of the company is now considerably improved and compares very favorably with business a year ago.

BELL SYSTEM WILL SPEND $13,500,000 IN COMING YEAR

This Amount Will Go Into New Extensions and Plant

From Our Own Correspondent.

MONTREAL.—The year 1922 was a year of tremendous expansion in the operations of the Bell Telephone Company. There was an increase of 34,000 in the installed services; over $8,000,000 was spent on plant extensions. The number of shareholders almost doubled, and is now over 9,000 of whom one half are employees of the company. Gross telephone earnings reached a total of $20,245,823, an increase for the year of $1,683,994 over the previous year, and the largest figure on record to date.

From the standpoint of the investor the 1922 annual report is significant in that it indicates a net revenue more than sufficient to pay the 8 per cent. dividends of the company. In 1919 there was a small surplus after payment of dividends of $43,000; in 1920 the reserve was drawn on to the amount of $1,832,000 to pay the dividend; in 1921 the company's dividends took another $776,000 out of reserves. In 1922 however net earnings available for dividends increased from $1,107,620 to $2,933,668. And although dividends increased by some $600,000 due to the enlargement in the number of shareholders there was a sum of $475,928 available after paying these dividends to be transferred to reserve.

Expenses Were Cut

This was accomplished by a combination of increased revenues and decreased expenses. Despite the increased services installed operation expenses was actually cut from $9,545,899 to $9,495,098 and current maintenance from $3,829,322 to $3,201,020. Comparative figures of revenue and appropriations for 1921 and 1922 are as follows:

Earnings and Expenses

	1921	1922
Telephone rev...	$18,561,829	$20,245,823
Less—		
Operation exp..	9,545,899	9,495,098
Curr. maint. ...	3,829,322	3,201,021
Depreciation ...	2,549,715	2,967,506
Taxes	595,000	821,357
Total tel. exp...	$16,519,936	$16,484,982
Net tel. earn. .	2,041,893	3,760,840
Sundry earn. ...	234,527	208,472
Total net earn..	$ 2,276,420	$ 3,969,312
Deduct int.	1,168,800	1,035,644
Balance..	1,107,620	2,933,668
8% dividend . .	1,883,630	2,457,740
Deficit	776,010	475,928*

*Surplus.

The relation of net earnings to assets over a term of years is compared in this table:

Net Earnings vs. Assets

Year	Assets	Net Earn.	% Net Earn. to Total Assets
1900	$17,498,762	$ 436,680	5.8
1905	14,062,605	1,004,898	7.1
1910	22,541,382	7,729,576	7.6
1915	39,789,807	2,221,985	5.6
1920	62,050,089	881,523	1.4
1921	66,339,969	2,276,421	3.4
1922	76,547,602	3,969,312	5.1

The company now has 434,223 subscriber stations and connects with 119,821 other stations.

The need for new capital is discussed by the president, Lewis B. Macfarland in his annual report. He points out that during 1923 over thirteen and a half million dollars will have to be spent on new developments. Last year over eight millions was spent despite difficulty in security supplies. Over $5,000,000 par value of new capital stock was placed in 1922.

Loan and Trust Deposits Are on the Increase

Increasing deposits for both loan and trust companies are indicated in the quarterly return for the companies operating under Ontario charter as made to the registrar, V. Evan Gray. Following is a summary of guaranteed investments of trust companies and securities allocated therefor at the end of the year and at the end of the previous quarter:

	Dec. 1922	Previous Quarter
Trust Deposits ..	$8,549,784	$7,547,891
Sp. Guar. Inv. ..	16,992,758	17,307,283
Gen. Guar. Inv.	10,212,034	9,495,852
Total Funds ...	35,754,577	34,351,026
Cash	1,626,639	897,574
Can. Bonds & Sec.	2,592,066	2,204,753
U. K. Bonds	88,085	235,367
Municipal Debs..	2,903,126	2,873,129
Sch & Tel. Debs	1,557,190	1,784,494
Mortgages	23,830,305	23,138,335
Demand Loans..	1,440,460	1,225,388
Sec. not author. As Trustee Inv.	1,728,114	2,001,656
Total Invest. ..	35,765,987	34,360,700

The comparative figures for the loan companies showing deposits and securities held are summarized as follows:

	Dec. 1922	Previous Quarter
Total Deposits ..	$38,140,767	$34,696,574
Cash	6,336,293	3,369,985
Gov. Bonds	9,861,877	7,997,426
Municipal Debs..	3,956,035	4,070,245
Demand Loans..	788,015	480,059
Cash Securities and Loans ...	20,942,220	15,917,705
Percent. of Cash etc. to depos.	54.91	45.88

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NAVY CUT
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"a REAL cigarette"

Package of 10 - 20¢
" 20 - 35¢
Enamel Tin 50 - 90¢
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TRUSTEESHIP

Why take chances of imperfect administration when the services of this highly efficient organization are so easily available.

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FORD Salesmen have been instructed to call upon every family in the Dominion.

Everyone who wants to own a Ford this year *must* be given the chance to buy at the low figure, whether for immediate or future delivery. This is a duty the Ford organization owes to the public. For the tendency is towards increased prices.

But if a Ford salesman does not reach you at once so that you may buy a Ford at these low prices, we suggest that you protect yourself.

Don't wait for the salesman. Phone! Make sure of getting your Ford at the $445 figure.

Order your Ford Today

ORDER NOW AND MAKE CERTAIN YOU GET A CAR AT THESE PRICES

Runabout $405
Touring $445
Coupe $695
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FORD MOTOR COMPANY OF CANADA, LIMITED, FORD, ONTARIO.

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EXECUTORS AND TRUSTEES

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your interest was always paid promptly when due,
WOULD YOU BE HAPPY?
You Should!
If the owner of the property was the
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WOULD YOU FEEL SAFE?
You Would!
Write for particulars of this investment
To yield **6.10%**
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8% Convertible Debentures
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Price on application
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MONEY, BANKING AND EXCHANGE

TWO MORE SMALL BANKS FAILED IN WESTERN CANADA

Run on Winnipeg Institution Patronized by Foreigners

From Our Own Correspondent.

WINNIPEG.—The suspension during the week of two Winnipeg private banking offices which accepted public deposits has put another damper on the operations of unit banks. These two Winnipeg failures follow in wake of the closing of the Universal Securities Corporation of Weyburn, Sask., with liabilities approximating $140,000. The Dominion Ticket and Financial Corporation, 676 Main Street, private bankers, was the first to make assignment under the Bankruptcy Act, and this action was followed by a similar assignment by Max Hoffman & Company, private financial and ticket agents. The assignments in each case were made to the Traders Trust Company and auditors of that company are now at work on the books preparing data for a meeting of the creditors which will be held probably next week. These banking offices closed their doors after available cash reserves had been depleted by several days "run."

A. F. Schimnowiski, president of the Dominion Ticket and Financial Corporation, gave out a statement that he believed the assets would pay 80 or 85 per cent. of the liabilities. The assets are roughly estimated at $800,000 with liabilities approximating $650,000. These liabilities are principally to depositors who for the most part belong to the foreign speaking population of the city. No statement of the position of Max Hoffman & Company is available.

The Provincial Attorney General's attention has been directed in the Legislature to the situation that has developed. John Queen, labor member for Winnipeg, pointed out that the majority of the depositors were foreigners and he expressed the hope that an inquiry would be made with the object of safe-guarding their interests.

In the interval following the actual suspension, President Schimnowiski of the Dominion Ticket and Financial Corporation has been arrested charged with the theft of approximately $10,000. According to the police, Schimniwiski is alleged to have stolen the amount in two sums, one for $8,000 and the other $2,000, being funds received for express orders for the Dominion Express Company for which he was an agent. Schimnowiski is out on $20,000 bail.

European Exchanges Have Been Weaker

Weakness in French and Italian exchanges has marked recent developments being a reflection of the unfavorable interpretation placed on European developments. Sterling has been stronger in New York.

The premium on New York funds has ranged within narrow bounds, the discount on the Canadian dollar being 1 to 1¼ per cent.

NEW YORK FUNDS

Feb. 8—Funds opened at 1 7-32 per cent. premium, closing at 1 1-8.

Feb. 9—Opened unchanged at 1 1-8 premium and closed at 1 1-16.

Feb. 10—Opening at 1 1-16 premium funds touched a low of 1 1-32 and closed at 1 1-16.

Feb. 12—Funds opened at 1 1-16 premium and closed at 1 3-32.

Feb. 13—Opening at 1 1-16 funds closed up 1-64 to 1 7-64 per cent. premium.

Feb. 14—Funds opened at 1 1-8, advanced to 1 1-4 and closed at 1 7-32.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Feb. 8	4.67⅛	6.21	4.83
Feb. 9	4.67⅞	6.24½	4.83½
Feb. 10	4.68½	6.20	4.82
Feb. 12	4.73¾	6.25	..
Feb. 13	4.68½	6.11¼	4.81
Feb. 14	4.68¼	6.02	4.76½

OUTLOOK IS HOPELESS

The Amalgamated Land and Mortgage Companies of Winnipeg may be wound up. The British shareholders suggest this step. It is declared that there is little hope of setting the company on its feet again or any return of capital to the shareholder.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Feb. 8, 1923	Change	%
Montreal	$ 91,422,194+	$ 1,663,681	1.9
Toronto	86,160,589—	3,149,282	3.5
Ottawa	5,925,619—	796,090	11.8
Hamilton	4,915,875—	27,470	.6
London	2,839,623+	35,823	1.3
Windsor	2,776,466—	152,795	5.2
Halifax	2,597,653—	520,471	16.7
St. John	2,539,277—	27,265	1.1
Moncton	977,907+	6,205	.6
Kitchener	955,001—	5,777	.6
Brantford	895,572—	132,523	12.9
Sherbrooke	799,687—	5,359	.7
Peterboro'	637,763+	15,932	2.6
Kingston	582,900—	107,230	15.5
Total East	$204,026,126—	$ 3,202,621	1.5
Quebec	3,940,133		

WESTERN CITIES

	Feb. 8, 1923	Change	%
Winnipeg	$ 36,677,114—	$ 6,788,043	15.6
Vancouver	12,014,801—	1,173,625	8.9
Calgary	4,395,077—	487,370	10.0
Edmonton	4,173,549—	637,370	13.2
Regina	2,782,822+	67,212	2.5
Saskatoon	1,936,681+	360,649	22.9
Victoria	1,890,015—	125,729	6.2
Moose Jaw	957,424—	83,183	8.0
Ft. William	789,582+	64,120	8.8
Lethbridge	595,889+	138,708	30.3
New Westminster	588,347+	70,604	13.7
Brandon	528,952—	28,664	5.1
Med. Hat	346,067+	50,924	17.2
Prince Albert	334,592+	26,632	8.6
Total West	$ 68,010,912—	$ 8,546,135	11.2
Grand Total	$272,037,038—	$11,747,756	4.1
Year to date	$1,779,273,141—	$86,645,473	4.6

Five New Branches Opened in January

Returns from the various Canadian chartered banks show that during the month of January there were only five new branches opened and for the same period nine branches were closed. The Bank of Hochelaga opened the new branches, all of which are situated in the province of Quebec. The Royal Bank closed four branches, Toronto three and Hochelaga and Union one each. Following is a list of the branches opened and closed during the month:

Opened

Hochelaga.—Guiges, Que.; 857 Chemin Ste. Foye, Quebec; Corner DeCashtelnau & Drolet, Montreal; St. Sulpice, Que.; Chateauguay Bassin, Que.

Closed

Hochelaga.—Parkhurst, Que., (subagency).

Royal.—Merrickville, Ont.; Murray River, P.E.I.; Bluesky, Alta; Vanderhoof, B.C.

Toronto.—Arran, Sask.; Loverna, Sask.; Lanfine, Alta.

Union.—Dummer, Sask.

FARMER DEPOSITS USED TO BUY BONDS

Only Portion of Government Savings are Loaned for Farm Purposes

From Our Own Correspondent.

WINNIPEG.—Is the Provincial Savings "Bank" fully employing its funds for the purpose for which it was created? Since the Hon. F. M. Black, provincial treasurer, told the legislature that the provincial bank now has $5,034,000 on deposit, and simultaneously that $2,000,000 in rural credits is outstanding the question has arisen as to the disposal of the $3,043,000 balance. On the basis of the $2,000,000 of rural credits' loans now outstanding only 40 per cent. of the "bank's" deposits are being employed in this channel.

If the "bank's" last statement may be taken as an indication of the trend of its funds it will be patent to the financially embarrassed farmers of Manitoba that the same criticism may be applied to Manitoba's banking venture that is being applied to the Commonwealth Bank of Australia, namely, that too great a portion of its deposit funds is being locked up in the investment of gilt edged securities, rather than in the extension of agricultural accommodation. The Provincial "Bank's" last return to the government, as of August 31, 1922, showed that of a total of $4,334,000 on deposit, 20 per cent. was invested in Victory bonds, 24 per cent. in treasury bills and 6 per cent. in cash. In other words 50 per cent. of the deposits was not apparently employed for the very purpose for which the bank was instituted. This position would do credit to a chartered bank, which of necessity must keep approximately 50 per cent. of its funds in readily available form.

The provincial treasurer's announcement indicates that in the last five months the Provincial Savings Office have increased their total deposits by $700,000. The August, 1922, statement revealed an increase in the previous nine months of $1,126,851. Thus in the nine months to Aug. 31, 1922, the "bank" gained at the rate of $125,206 per month, and since then for the last five months has increased its deposits at the rate of $140,000 per month. The bank continues to drive for further funds aggressively.

U.S. Gold Supply is Still Increasing

During the month of December almost twelve times as much gold was received in the United States as was sent out. Actual figures show $26,440,000 received during the month with $2,710,000 shipped out. The New York Federal Reserve Bank's review of credit and business conditions places the excess of imports over exports during 1922 at $238,295,000, compared with $667,357,000 in 1921. The total excess of imports during the last three years has amounted to $1,000,000,000 and since 1914 to $1,700,000,000. Gold exported from New York January 1 to January 23 inclusive amounted to $3,593,00, of which $2,168,000 went to India. During the same period gold imported at New York amounted to $22,860,000, of which $11,500,000 came from India.

U. S. SAVINGS INCREASE

Savings deposits in the United States increased about $1,500,000,000 in 1922, as compared with 1921, according to preliminary figures tabulated by the Savings Bank division of the American Bankers' Association.

The figures show that, compared to reported saving deposits on June 30, 1921, of $16,618,695,000, the amount for the corresponding date in 1922 was $18,087,493,000.

The number of savings accounts indicated by the partial data in hand was 28,957,526 on June 30, 1922, as compared to 26,637,831 on the corresponding date in 1921, a gain of 2,314,695. For both the amount of savings and the number of depositors, later data of states from which complete returns have not yet been received are expected to show larger gains for 1922.

According to this report school savings systems reported deposits of $5,500,000 during the last school year, an increase of 40 per cent. over 1921 and 100 per cent. over 1920. The number of school systems also increased by over 100 per cent. during the last school year, and the number of pupils reported as participating was 1,271,000, a growth of 50 per cent. over the previous school year.

SAVINGS INCREASED IN MONTREAL CITY

Fine Showing by City and District Bank in Period of Depression.

With a small increase in deposits, the Montreal City and District Savings Bank was able to maintain profits with little change during 1922. The total was $247,439 compared with $247,958 for the previous year. After providing for dividends and donation the surplus was increased by $39,929, as indicated in the following summary:

Profit and Loss

	1922	1921
Net Profits	$ 247,439	$ 247,958
Div. and donations	207,510	205,809
P. & L. surplus	$ 39,929	$ 42,149
Prev. surplus	365,598	323,449
Total	$ 405,527	$365,598

Assets and liabilities for the year compare as follows:

Assets

	1922	1921
Cash	$8,312,019	$8,090,305
Gov. Bonds	14,654,141	13,906,393
Mun. bonds	16,688,870	16,041,178
School bonds	406,861	457,988
Other bonds	1,172,553	1,527,878
Sundry sec.	224,000	380,332
Call & short lns.	7,387,581	8,213,853
Charity	180,000	180,000
Bk. premises	1,100,000	1,100,000
Other Assets	70,044	93,698
	$50,196,069	$49,991,627
Liabilities to the Public		
Amount due.—		
Depositors	$46,353,339	$46,214,334
Rec. general	93,342	93,585
Char. do. fd.	180,000	180,000
Open accounts	315,289	289,539
	$46,941,970	$46,777,458
Liabilities to the Shareholders		
Capital stock	$1,498,570	$1,498,570
Reserve	1,350,000	1,350,000
Profit and loss	405,528	365,598
	$ 3,254,098	$ 3,214,168
Total liabilities	$50,196,069	$49,991,626

In his address to the shareholders at the annual meeting, Hon. R. Dandurand, the president, referred particularly to the increase in deposits in the face of a decline in the total savings in the Canadian chartered banks. He regarded this as indicating thrifty habits on the part of the people and a healthy economic condition in the city of Montreal. He stated that surprise had been expressed at the high level of deposits during a period of depression and referred to the statement of an employer who said that the best workmen were generally retained at work the longest and the best men were those who had bank accounts.

Toronto

L. D. Lindsay, for the past eight months manager of the Fort William branch of the Bank of Toronto, has been transferred to Winnipeg.

J. R. Wright of Winnipeg, has been transferred to Fort William as manager of the Bank of Toronto.

Imperial

The Imperial Bank during the week opened a new branch office in the General Accident Insurance Company Building at Bay and Temperance Sts., Toronto. For several months the bank has been operating in temporary offices at Bay and Richmond Sts. The Imperial has now 25 branch offices in Toronto. F. W. Smith, formerly manager at the King and Market Sts. branch, will be in charge of the new branch.

One Man Alone Cannot Move a Mountain
BUT
Thousands of investors pulling together, with their money and confidence, by means of our
Monthly Income Contract
are doing for each other what none can do alone.
Has anyone ever explained to you the great advantages of this form of protection?
THE GREAT-WEST LIFE ASSURANCE COMPANY
Head Office
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When selecting a Trust Company as an Executor choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,212,725
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE, WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
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INVEST YOUR SAVINGS
5½% Interest Return
in a 5½ DEBENTURE of **The Great West Permanent Loan Company**
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
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The Trusts and Guarantee Company Limited

TORONTO

Twenty-sixth Annual Statement

BALANCE SHEET, DECEMBER 31st, 1922.

ASSETS

Capital Account			
Office Premises and Safety Deposit Vaults: Toronto, Calgary and Brantford (The Trusts Buildings, Limited, Stock)		$ 245,084.77	
Office Furniture		25,000.00	
Real Estate held for sale		141,623.73	
Mortgages on Real Estate		59,415.93	
Loans on Stocks and Bonds		23,462.56	
United Kingdom, Dominion of Canada and Provinces of Canada Bonds		2,300.00	
Bonds and Debentures		682,728.90	
Stocks		284,288.10	
Cash in Chartered Banks		49,024.31	
Cash on Hand		11,089.45	
Other Assets		345,705.31	
			$ 1,869,723.06
Guaranteed Trust Account			
Real Estate held for sale		$ 39,610.31	
Mortgages Principal	$3,438,427.01		
Interest	173,710.78		
		3,612,137.79	
Loans on Stocks, Bonds, etc.		254,293.11	
United Kingdom, Dominion of Canada, Provinces of Canada Bonds		364,824.93	
Canadian Municipalities, School District and Rural Telephone Debentures		746,109.73	
Other Bonds and Debentures		560,067.50	
Cash on hand and in Chartered Banks		199,599.14	
			5,776,642.51
Estates, Trusts and Agency Account			
Funds and Investments			19,931,584.72
			$27,577,950.29

LIABILITIES

Capital Account		
Capital Stock Subscribed...$2,000,000.00		
Capital fully paid	1,175,200.00	
Capital partly paid	252,243.97	
		$1,427,443.97
Money borrowed from Bank.		100,000.00
Reserve re balance (Dominion Special War Revenue Tax)		2,000.00
Contingent Reserve Fund		7,191.89
Sundry Accounts Payable		2,622.13
Dividends declared and unpaid, due January 2nd, 1923		42,343.29
Profit and Loss		288,121.78
		$ 1,869,723.06
Guaranteed Trust Account		
Trust Fund for Investment	$4,478,162.71	
Trust Deposits	1,298,479.80	
		5,776,642.51
Estates, Trusts and Agency Account		
Estates, Trusts and Agency Accounts		19,931,584.72
		$27,577,950.29

JAMES J. WARREN, President.

E. B. STOCKDALE, General Manager.

We have audited the books for the year ending 31st December, 1922, and verify the cash, bank balances and securities of the Corporation. We have examined the statement and it agrees with the books of the Corporation. After due consideration we have formed an independent opinion as to the position of the Corporation, and with our independent opinion so formed and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the Corporation, and that all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

Toronto, 14th February, 1923.

GEORGE EDWARDS, F.C.A.
H. PERCY EDWARDS. } Auditors.
of EDWARDS, MORGAN & COMPANY,
Chartered Accountants.

NEWS AND VIEWS FOR MANAGERS

RE-DISCOUNTING UNDER CANADA'S BANKING SYSTEM

Branch Manager at Regina Discusses Point in Daily Paper

The effective work which can be done by bank managers in educating public opinion to a better appreciation of the Canadian banking system and the restrictions and regulations of the Canadian Bank Act, has again been indicated by the manager of a branch of one of the larger banks at Regina, who was interviewed by the Regina Post in regard to the bank of re-discount proposal. He made the point that in Canada there is already in effect an arrangement for re-discounting corresponding with the Federal Reserve System in the United States. This, he said, was seemingly not generally realized in view of the widespread agitation on the part of boards of trade and other public organizations throughout the country.

The need for banks increasing their capacity to lend money was, he said, in the course of an extended interview, a very periodic condition in Canada. For instance, the only time of the year when the strong Canadian banks felt the need for borrowing heavily was at the time of the crop movement season. At that time, of course, it was essential that plenty of money should be available in order that the carrying of the grain to market should not be hampered in any way. It might be necessary, for instance, to loan an elevator company or a grain shipping agency several millions of dollars in order to finance purchases from the producers. Strikes, rail tie-ups, car shortages or interference with the movement because of climatic conditions might then occur. Thus automatically, would accrue a demand for greater advances—advances with which the banks might be unable to cope temporarily. In cases such as this, the aid of the government could be secured.

Authorized Advance

Some years ago, the federal parliament authorized issurance of specie and paper advances to banks which in return were required to give security consisting of bills of lading, elevator receipts, etc. The government thus assumed responsibility for a portion of the finance in connection with the grain shipments, acting—in effect—as a federal reserve bank would have under similar circumstances. Though the system was always available, it was not known definitely how often banks took advantage of the plan. It is, however, available and provided an assurance that financial backing for the grain movement will always be adequate.

In discussing the proposal to establish a central government bank with agencies for west and east, this banker stated there was one serious objection. An institution such as this, to be effective, would require a capitalization of at least $50,000,000. Moreover, it would be essential that it find use for its funds for twelve months in the year, otherwise dividends would not be forthcoming and exorbitant rates of interest would have to be charged during the three or four months in the autumn when banks found the need of availing themselves of its reserves.

To find use for these reserve funds —other than in the periodic stress of the crop moving and harvesting period—there was only one market to which the officials of such an institution could go—New York.

There, money could be loaned on call accounts and certainty of being able to realize on demand assured. The returns, however, would be most uncertain, due to the fluctuations of the call loan market and generally shifting state of finance in Gotham as reflecting the position of the entire United States.

Says Need Not Pressing

"Generally speaking," the interview continues "Canada's banking system is so different from that of the United States that the need for a re-discount system is not clearly as pressing. In the United States there are thousands of banks with very small capitalizations. In the case of unfavorable conditions when it is impossible to collect loans to pay depositors, the federal system is resorted to and proves of great benefit. In Canada, on the other hand, we may have a crop failure at some point in Alberta. Opposed to this we have good crops in Saskatchewan. By collecting loans in this province, unfavorable conditions in other parts of the Dominion are counteracted. This applies to Canada as a whole. If crops are bad, conditions of mining and lumbering, generally counterbalances and so banks are able to carry on financially by the transference of funds, a plan readily lending itself to our branch bank system."—J. W. T.

INCREASING TRADE WITH AUSTRALIA

A new boat is being put on by The Canadian Merchant Marine to run to Australia. This gives a bi-monthly service. Trade with Australia has been developing rapidly of late, Merchant Marine officials state, the large order being placed by the Australian Government for railway, telegraph and telephone supplies helping greatly. Canada is getting a large share of these orders which include steel, electrical supplies, etc.

Interesting Gatherings of Bank Associations

In various cities throughout Canada the members of the banking community are organizing associations looking to the discussion of banking and financial topics and more intimate social relations.

Among the recent functions held by such associations were a dance at Fort William attended by bankers and their friends and a dinner followed by a musical progam and address by the recently formed institute of bankers at Halifax. At the Fort William function the hosts were represented by the executive of the association: A. J. Sheard, H. H. Richards, A. S. Nichol and Messrs. Mitchell, Bell, Putman and Bertrand. The first president of the Halifax institute is B. L. Mitchell, manager of the Royal Bank, and the chairman of the meeting referred to was H. A. Fleming, the honorary president. Others at the head table were E. G. Grundy, secretary, F. St. C. Harris, and Professor H. L. Stewart, who gave an address on Educative Reading.

Lure of Soft Money Behind Agitation for Bank Changes

Farmers' Demand for More Credit Should be Considered on Sound Banking Lines—Australian Idea Evidently Would Not Meet the Situation

By A. B. BARKER,
Manager Toronto Clearing House.

What weight should attach to resolutions passed by public or quasi public bodies calling for action by the Government? It is well known that from time to time organizations like Boards of Trade in the cities and town and Grain Growers' Associations and similar bodies in the country receive resolutions of varying tenor and object which they are requested to pass and transmit to the government as their own. The daily papers give the news and aid the movement. If sufficient interest can be worked up in this way the parties responsible will make their representations to the powers that be, citing these resolutions in support of their claim. It is simply a form of propaganda, and twenty years ago was frequently used by one of the big corporations, which had investments in British Columbia, and wanted certain tariff favors. The resolutions were wonderfully alike in language though the matter was so arranged that they were always introduced by private members of different bodies. Strange to say they were usually passed without discussion, and it was generally understood who was behind them.

At present something of the kind appears to be in progress in the West, where various bodies are passing resolutions calling for certain changes in the Bank Act at the approaching revision, and one naturally wonders who is the genius responsible for the supply of material.

The two most popular schemes so advocated are a national banking system, similar to the Australian, and the abolition of note issues by the banks, all notes to be issued by the Government. The Australian Common wealth Bank is a new and untried scheme, which has yet to prove its worth. It may work of course, but so far its statement shows that the great bulk of its loans have been made, not to finance the productive interests of the country but to municipalities. Its loan account shows £34,000,000 to the latter, and only £14,000,000 to trading and industrial concerns, including farmers. In other words over two-thirds of its investments are of the long term variety, yet all banking experience has proved that funds payable on demand must be kept as liquid as possible. In addition to this the farming interests of that country do not appear to have benefited to any extent.

Gold The Basis

As for government issues all history shows that unless these are backed by adequate reserves of specie their value decreases. Even Great Britain, with her wonderful organization, is not exempt from this law, and to the extent that the issues are not redeemable on demand in specie, they will be accepted at a lower value. At present the pound sterling in currency is selling in Canada at $4.68, while the gold sovereign is worth $4.86. This is one reason why there is not the same demand for Canadian products in Great Britain. When Canadian prices for goods are translated into terms of the depreciated currency, the resulting prices are too high. In trade between countries with a different standard the tendency is to make it easier for the country with the depreciated currency to sell, and harder for it to buy, except from a country where the currency is more depreciated still.

A fully secured government currency, while safe enough, has serious drawbacks, as the volume of a currency is restricted. It does not expand and contract with the demands of business. In the United States they found this out under the National Banking system there was no profit to banks in the circulation of their notes. Any notes issued by them had to be secured by Government bonds lodged with the Secretary of the Treasury, and if a bank had in its vaults an over-supply of currency, it lost money, and in consequence was to that extent unable to grant accommodation to its customers.

Many will remember the currency famines which occurred periodically in the United States before the establishment of the Federal Reserve Banks in that country. Indeed it was to correct that weakness in the American system that the change to a more elastic currency was made. It is difficult to institute close comparison between our system and the American owing to the different methods of operation, but, so far as currency is concerned, it is generally admitted that our present system of note issue is still more elastic than that of the United States, and therefore functions more easily.

The lure of soft money as it has been termed has exercised a strong fascination in the past, and in every case the result has been disastrous. In Canada it had much to do with the comparative ease with which the French regular forces were defeated by Wolfe. The result was not so much a question of the bravery of the troops or the skill of the commander, as it was a matter of supplies. The French civil authorities had issued a paper currency which they could not redeem, and the farmers simply refused to accept it in exchange for produce, hiding their grain where it was attempted to requisition it. The British on the contrary were furnished with coined silver, and with this had no difficulty in obtaining what supplies they wanted.

Fundamental Laws

In finance as in other lines of endeavor there are certain fundamental laws which cannot be evaded, one of these is that without a fund of credit from which to supply the wherewithal loans are impossible. This store of credit can be accumulated in only one way, by production and saving. If for any reason the credit is wasted or lost, it must be built up again by the same methods which produced the original stock. The only way in which the same amount of credit can increase its efficiency is to use it more frequently. In ordinary trading a small capital can perform the same service as a larger capital only by a more rapid turnover. The same principle applies to banking as a bank is a trader in credit. This credit it obtains from deposits. It does not create credit except to a very limited extent and temporarily and, if the credit which the bank obtains is reduced in volume, the only way the smaller stock can cover the same ground as before is by a more rapid turnover, and turnover means always new transactions, not renewals.

The agitation as evidenced by the resolutions appears to be chiefly from the West and the inference is that the farmers want more and longer accommodation. Theirs is a basic industry and as such is entitled to special consideration but it is not claimed that they have been refused accommodation for the actual operation. If they have they would have a case but if, as has been repeatedly stated, the refusals have been for funds with which to make payments on land or for machinery the position is quite different as they have no right to expect bank advances for such a purpose. It is not a question of security but of the use of bank funds which from their nature are not intended for long term investments. Funds for such should be obtained from sources other than banks; from the same class of funds from which mortgage loans are made.

Mining Stock Quotations

Week Ending February 13

	High	Low	Close	Sales
Algonquin	8½	7	7½	57500
Argonaut	59	57	58	7400
Atlas	14½	12½	13	62000
Baldwin	11½	10½	10⅞	75000
Beaver	33	31½	33	20500
Buckingham	20	16½	16½	16000
Clifton	24¾	22¾	23¾	51000
Castle Trethewey	26	24¾	24¾	14000
Columbus	13½	12¾	12¾	5500
Chaput-H	7½	6½	7½	2000
Conigas	2.10	——	——	200
Cons. Smelters	28½	27	28½	5636
Cons. West Dome	26	24½	25½	99500
Crown Reserve	36	34	35	86145
Davidson	27½	23	27	23000
Dome Mines	43.50	42.75	43.20	1615
Dom. Kirkland	4	3⅝	3¾	15500
Gifford	1	⅝	⅝	13500
Gold Reef	2¼	——	——	6000
Great Northern	1	——	——	3000
Goldale	40½	39	39	20000
Hattie	27¾	25	27¾	52500
Hillcrest, Com.	69	——	——	51
Hollinger	14.10	13.35	14.10	9270
Hunton	11	10	10½	29000
Keora	10	9	9	8000
Kirkland Lake	43	38¾	43	16000
La Rose	35	28	34	12800
Lake Shore	3.55	3.22	3.44	25000
Lorrian	8½	7	7	22000
McKinley Darragh	19½	18	18	9500
McIntyre	19.85	18.75	19.55	6883
Mining Corp.	1.25	1.00	1.25	2600
Moneta	15½	14½	15¼	44500
Newray	27	25½	26	54500
Nipissing	6.20	6.10	6.15	1620
Ophir	2½	2	2½	7000
Peterson Lake	11	9½	10½	45500
Porcupine Crown	17	11	11	50500
Preston E. Dome	11½	11	11	36200
Schumacher	30	29½	30	4800
Teck-Hughes	97	93½	95½	118500
Thompson Krist	3⅞	3½	3⅞	18000
Timiskaming	33	31	33	4000
Wakenda	12¾	10¾	12¼	166000
Waspika	9½	7⅛	8	73000
West Tree	11½	10	11⅜	80000
Wright-Hargreaves	3.35	3.13	3.35	9800
Vipond Con.	74	72½	74	47500

LOWERING OF RATE ON MORTGAGE LOANS

Better Outlook for Funds From the British Investors Now

A continued active demand for mortgage loans was forecast at the annual meeting of the Huron and Erie Mortgage Corporation by the president, T. G. Meredith, K. C., who pointed out, however, that there were indications of a weakening in the rate of interest payable. This has as usual, he says, been foreshadowed by the upward tendency in the price for government and municipal bonds which can no longer be bought to yield the high return prevalent since the war. Regarding the outlook for sterling funds, he said:

The remarkable recovery of sterling exchange leads us to believe that before long we may be able to resume the sale of our debentures in Great Britain. We have every assurance when that time arrives the "Huron & Erie" will, as in former years, receive a generous share of moneys seeking investment in this country.

Regarding Western conditions, H. Givins, manager at Regina, said:

While even this splendid crop of last year cannot solve all our Western problems it will mean a long step on the road to returning prosperity and there is a marked improvement and a healthier tone throughout the whole country. As a result the large financial corporations lending extensively in the West have every reason for increased confidence in the ability of our farmers to carry on under most strenuous conditions and continue to develop and improve the splendid agricultural and other resources of the Great West.

The West is looking forward with confidence to a further substantial improvement in conditions in 1923 and to the return of a large measure of prosperity in which both the East and the West will share.

DISCRIMINATION IS ALLEGED BY STEWART

Charges Made at Opening Session of Commission on Lake Rates

Discrimination against Port Colborne as compared with Buffalo, in the steamship rates of Canadian companies, as the result of which the Ontario mills of the Maple Leaf Milling Company were forced to close down last summer, because they could not compete with American millers on the European market, is alleged by James Stewart, president of the company. Mr. Stewart, who is a former head of the Canada Wheat Board, made this charge before the Royal Commission investigating the alleged combine amongst lake carriers at the opening sessions at Winnipeg.

Mr. Stewart explained that two Canadian brokers handled the business of all Canadian shipping companies and that he had been informed that the higher rates charged by these two concerns to Port Colborne had been decided upon at a conference of Canadian lake vessel owners held in Toronto last May. The brokerage companies, Mr. Stewart also stated, stipulated they should get the insurance on grain cargoes and charged a rate of 30 cents per hundred dollars in the summer when the same insurance could be obtained from private companies for 18 cents per hundred dollars. These cargoes, according to Mr. Stewart, were not much concerned to the exporter so long as they were equitable but they all reflected back to the farmer who had to pay the bill.

FEDERAL FIRE STARTS WELL

The Federal Fire Insurance Co. which started business at New Years, held its first annual meeting recently and the report presented by Pres. W. S. Morden, K. C., showed the amount of risk written to be $1,256,988 and the premium return less rebates $13,765. Of the 738 policies accepted 49 per cent. were of the preferred three-year class.

E. S. ARMSTRONG
New York Philadelphia
STOCK OPTIONS
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Dome Hollinger
Lake Shore McIntyre
Wright-Hargreaves

THE rapidly growing output of these big gold mines, with their improved physical and financial position, warrant the present activity in the market for the shares and the higher prices that are in prospect.

Information concerning any Northern Ontario mining company, fortified by seventeen years of direct connection with the mining industry in Ontario, gladly given on request.

Homer L. Gibson & Co.
Bank of Hamilton Building Toronto

THIRTY-EIGHTH ANNUAL REPORT OF THE Toronto Savings and Loan Company

Submitted to the Shareholders at their Annual General Meeting held at the Offices of the Company, 437 George Street, Peterborough, on Friday the 26th day of January, 1923.

The Directors have pleasure in submitting to the Shareholders their Thirty-Eighth Annual Report showing the results of the business for the past year accompanied by the Balance Sheet, to the 31st December, 1922.

After payment of Interest on Deposits and Debentures, and all expenses of management, there remain Net Earnings amounting to $144,251.55. This amount together with the balance brought forward in Profit and Loss Account from the year 1921 of $75,674.15 makes a total of $219,925.70, which amount has been disposed of in the following manner:

1. By Payment of four Quarterly Dividends at the rate of 12% for the year, amounting to	$120,000.00
2. By Bonus of 2% for the Year on $1,000,000 Paid-up Capital	20,000.00
3. By Balance left in Profit and Loss Account	79,925.70
Total	$219,925.70

The Reserve Fund stands at $1,100,000.00, which is $100,000 more than the Paid-Up Capital.

The Balance carried forward in Profit and Loss Account is $79,925.70.

All payments maturing during the year on the Company's Investments have been satisfactorily met, and the rentals from the property owned by the Company have also been promptly paid. The Books, Accounts and Securities of the Company have been carefully examined by the Auditors, and their Report is attached to the General Statement.

HERBERT C. COX, President.

Toronto Savings and Loan Company General Statement, 31st December, 1922

ASSETS

Office Premises		$ 20,000.00
Real Estate Owned		1,096,979.75
Rents		21,034.05
Mortgages—		
Principal	$ 292,644.22	
Interest	1,821.08	
		294,465.30
Stocks Owned	$ 2,402,069.22	
Bonds Owned	90,382.12	
Loans on St'cks	139,731.30	
		2,632,182.64
Cash on Hand	$11,545.67	
Cash in Chartered Banks	196,578.59	208,124.26
Sundry Accounts Due Company		5,247.70
		$4,278,033.70

LIABILITIES

To the Public:		
Debentures	$ 1,393,466.88	
Deposits	651,990.23	
Sundry Accounts due by Company	2,650.89	
		$2,048,108.00
To the Shareholders: (Capital Stock Subscribed, $1,000,000.00)		
Capital Fully Paid	$1,000,000.00	
Reserve Fund	1,100,000.00	
Profit and Loss Acct.	79,925.70	
Dividend payable 2nd Jan. 1923	50,000.00	
		$2,229,925.70
		$4,278,033.70

PROFIT AND LOSS ACCOUNT
For the Year Ending December 31st, 1922.

Bal. at Credit of Profit and Loss Acct. 31st Dec. 1921	75,674.15
Net Profit for the Year, after deducting charges of management, interest on Debentures and Deposits, etc.	144,251.55
	$219,925.70

Appropriated as follows:	
Quarterly Dividends, Nos. 112, 113, 114 and 115, being at the rate of 12 per cent. per annum	$ 120,000.00
Bonus of 2% for the year on $1,000,000 Paid-up Capital	20,000.00
Balance carried forward	79,925.70
	$219,925.70

AUDITORS' CERTIFICATE

We hereby certify that we have carefully Audited the Books and Accounts of the Toronto Savings and Loan Company for the year ending 31st December, 1922, and have verified the cash, bank balances and securities of the Company; that we have examined the Statement and that it agrees with the Books of the Company.

That after due consideration we have formed an independent opinion as to the position of the Company; that with our independent opinion so formed, and according to the best of our information and the explanations given us, we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the Company.

That all transactions of the Company that have come within our notice have been within the powers of the Company.

Peterborough,
January 5th, 1923.

JAMES A. HALL,
F. J. A. HALL, } Auditors.

The following Directors were elected for the ensuing year: Herbert C. Cox, Richard Hall, W. G. Morrow, D. W. Dumble, K.C., E. R. Wood, E. T. Malone, K.C., and A. H. Cox.

At a subsequent meeting of the Directors, Mr. Herbert C. Cox was elected President and Mr. W. G. Morrow and Mr. Richard Hall, Vice-Presidents.

Put your money to work at 8%

Consider the excellence of an investment in the 8% Class "A" Preferred Shares of Dominion Stores, Limited.

Dominion Stores has made **the outstanding success** of its kind in Canada. Its earnings have trebled in the three years since it was established.

The purpose of the present financing is to open up new stores, and so increase earnings in the same splendid proportion.

Dominion Stores is a particularly profitable business. It has no bad debts; everything is sold for cash; and the Company takes full profit on everything it sells, because, on account of its large purchasing power, it buys direct from manufacturers, and so secures the wholesale jobber's as well as the retailer's profit.

These 8% Preferred Shares are admirably secured. There are $200 of assets behind every $100 share. The company has no bonds ahead of it, and does not contemplate issuing any.

In addition to 8% on the Preferred Shares, dividends are already being paid on the Common Stock, which is being given away as a bonus. Consequently the speculative profit in the Common Shares is in itself a most attractive proposition.

We went fully into the affairs of this Company before purchasing its securities. We found it to be in a most excellent financial position. It should be capable of maintaining dividends on its Preferred Shares at all times, and we anticipate that it should earn eventually even greater dividends upon its Common Stock.

If you have funds for investment, we recommend these shares to you with every degree of confidence.

Price, Par $100, Carrying a 25% Bonus of Common Stock

Send in an order for them now to one of the undersigned, or write for complete prospectus.

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75 Bay Street, Toronto

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60 King Street West, Toronto

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, FEBRUARY 16, 1923

THE PRICE OF PUBLIC INTERFERENCE

THE COAL shortage has led to many demands that the governments and the municipalities go into the fuel business. The suggestion seems to solve the problem in a simple way. But experience has shown that instead of sharing in the exorbitant profits which are supposed to be the portion of the private dealers, the municipalities and governments, with all their advantages, actually lose money. The Kitchener Record says:

Five years ago the city council entered on a wood purchasing proposition which, although planned with the intention to benefit the public, eventually resulted in a loss. This year the city of Brantford faces a similar but much greater loss through its purchase of Welsh coal. Brantford's loss to date is $23,000 and may reach more than twice that amount.

Reports from Brantford indicate that conditions there merit close investigation on the part of the Ontario fuel controller. The overseas coal cost Brantford $18.85 per ton, and it was the intention to distribute it to the citizens at cost. The assertion is made that the anthracite coal operators shipped generous quantities of United States coal to Brantford. In consequence the city is forced to sell the Welsh product at $17 a ton. Up to the present the loss to the city has been some $23,000 with a much greater deficit in prospect. Representatives from other neighboring cities have been in Brantford, it is claimed, endeavoring to buy some of the surplus American anthracite and have been informed that it wasn't for disposal in that way.

It is of course essential that there should be a supply of fuel. If private agencies fall down and supplies can be secured by public action such action is not only justified but advisable. But such ventures should not be rushed into blindly. There is more likely to be a loss than a profit and this should be weighed against the possible benefits to be derived.

HOW TO GET CAPITAL

SIR HENRY THORNTON has decided that Canada's need is capital first rather than immigration, on the theory that if we can get the money to develop our assets jobs will be opened and immigration will follow. This is pretty sound logic.

There is one thing and one thing only that will bring capital to Canada and that is the assurance of a reasonable interest return on sound security or the chance of large profits on speculation. The one refers to funds for the development of agriculture, the building of homes, the expansion of established industries and public improvements; the other refers to funds for the development of mineral and other natural resources in which much money will be lost as surely as much money will be made.

The first essential in Canada's bid for capital for sound investment or for speculative development is that there should be assurance of fair treatment. As well might we try to make water flow up Niagara as endeavor to make capital flow to a country where national, provincial or municipal governments display confiscatory tendencies or where the men behind new undertakings have not maintained a reputation for fair dealing.

Canada has passed through a period in which there was no particular demand for foreign capital, a period in which this was reflected in the passing of legislation in several provinces which showed scant respect for the interests of those who had sent their money to this country in earlier years. Now the situation is changed. No doubt the tendency towards confiscatory and communistic legislation is a factor in making the foreign investor shy of Canada today. This must be overcome. We must not only properly present the great opportunities for capital which the country affords, but give assurance of fair and square dealing with the investor after he sends his money here.

STRANGE BEDFELLOWS THESE

FARMERS HAVE suffered during the post-war period of deflation perhaps more than any other class in the community, because the prices for their products, controlled by world demand, have been sharply reduced while the prices of manufactured products have come down more slowly, largely because of the exactions of organized labor. No farmers in Canada have suffered more under these conditions than those of Alberta. And no class of workers have been able to maintain high wages with short hours more effectively than the miners in the Alberta coal fields who are members of the United Mine Workers of America.

Yet at the former political convention held in Calgary recently, it was resolved: "That in anticipation of the next federal election, conferences should be held between the U. F. A. and labor organizations in the various federal constituencies with a view to devising means of co-operation between the two groups."

Here is a proposal for political union between two classes whose interests are diametrically opposed. As C. W. Peterson points out in the Farm and Ranch Review, the farmer "is now paying two prices for his necessary fuel and receiving about 75 per cent. of the value of his own products when he is lucky enough to have anything to sell." Mr. Peterson employs Lincoln's philosophy in declaring that the country can't continue half striking and half working. "The farmer and stock raiser is doing his utmost to get back on a level keel again; he is working from daylight till dark, and buying as freely as his income will permit, while some of the so-called 'laboring' class is striking and by so doing is 'throwing a monkey wrench in the machinery.' " To continue the argument:

"I as a farmer wish to see good wages for the men who mine coal, run railways, and operate factories. On the other hand, if these men get exorbitantly high wages, then they raise the price of these prices to such an extent that I as a farmer cannot buy enough of these products to keep my own family in comfort and I am therefore hurt by the unduly high wages paid to labor. Moreover, if labor unions hold down the efficiency of labor so that it takes 50 per cent. more time than it should (and therefore 50 per cent excess labor cost), to make my farm tools, or household furniture, or to haul my freight, then organized labor has just to that extent increased prices on these things—and by reason of increased prices has to that extent put these things out of my reach and forced my family to use fewer of them."

In Ontario the alliance between the United Farmers and the Labor party in the formation of the government, has held through mutual interest despite considerable friction, but it has not been indicated that the alignment is a sound one politically or economically. On the other hand, when the Vancouver Trades and Labor Council recently decided to send delegates to a farmers' political convention at Vernon a general meeting of the Trades Council reversed the decision decisively. The experiment of joining Farmers and Labor at Winnipeg also proved a failure.

So long as the farmers have as their aim increased production through hard work, and organized labor seeks higher wages with shorter hours and controlled production, it is difficult to see how there can be a lasting alliance, political or otherwise.

THE PREJUDICE AGAINST TORONTO

AN ONTARIO-BORN man who has held a prominent position in the Maritime Provinces for many years writes the Toronto Globe that he has been "puzzled by the persisting prejudices down here against Ontario, and especially against Toronto." As an illustration he encloses a clipping from The Halifax Morning Chronicle:

Toronto will make the country resound with its lamentations, but most Canadians, we think, will welcome the transfer of the headquarters of the National Railways to Montreal as a wise move all round. Centralization at Toronto would not tend to inspire confidence in the management or enlist popular good-will for the railways.

There is undoubtedly a prejudice against Toronto in other cities and towns of Canada. The Globe wants to know the reason. As a matter of fact, it is about ninety-nine per cent. due to the littleness of the Globe and certain of the other daily newspapers.

THE REAL AMERICAN ATTITUDE

THE attitude of the American business man towards Great Britain in the matter of debt settlement was indicated in the address of David R. Forgan, president of the National City Bank of Chicago, in addressing the Montreal Canadian Club. As THE FINANCIAL POST has pointed out, this attitude is in marked contrast with that of the vote-catching politicians, propagandists and other trouble makers, who are either pandering to mob opinion and prejudice or are deliberately seeking to disrupt Anglo-American relations.

"Financially, as a banker, and in every other way, I take off my hat to Old England; she is setting the whole world a magnificent example of British integrity," declared Mr. Forgan, who spoke for the unity of all English-speaking peoples. "We were all on one side during the war, and surely out of that fiery furnace, despite the dastardly attempts of some newspapers and cowardly politicians, something of this English-speaking unity for the salvation of the world will develop. That is for what the best Americans to-day hope and pray."

Further Mr. Forgan declared that England and America should stand together as creditors for the world, an intimation of how financial America would approach the question of the debt if the political element could be kept in place.

SATISFYING THE FOREIGN BUYER

MANY FOREIGN orders are lost by manufacturers on account of terms of payment. A certain proportion of these losses are due entirely to misunderstanding between seller and buyer. For example, when the exporter in this country asks for payment "at time of shipment," the buyer abroad often construes this wrongly. He takes it to mean that he is required to deposit a certain amount of his cash capital in the exporter's bank in Canada which the exporter collects upon presentation of shipping documents. Under this interpretation, the buyer would be paying for his goods before he receives them, and he regards it as unfair. As a matter of fact the exporter's understanding of payment "at time of shipment" is quite different. He expects the buyer to instruct his bank to open a credit in the exporter's favor with its banking correspondent in Canada. Then, when the exporter has received his money on presentation of documents the correspondent bank notifies the buyer's bank, which in turn draws on the buyer for the proper amount. In this way the buyer does not have to pay any actual cash until the shipment has been received by him or until the end of such further period as his local banker may give him, but he is charged with interest from the date the credit is used, plus a commission for opening the credit. A word of explanation from the exporter to this effect would often save the order.

Exporters will find it worth their while to leave no loophole for the all-too-familiar complaint: "We understood that you were going to do this, but we find that you have done that." Every link in the chain or negotiations from the moment the sales letter is written or the original inquiry is received should be thoroughly tested against the weakness of misunderstanding.

EDITORIAL NOTES

IN A RECENT article Prof. David Friday, president of the Michigan Agricultural College, said: "There is no use in looking to legislation to remedy the condition of agriculture since legislation can neither plow nor plant."

* * * *

WE HAVE AN idea that when the Gregory Commission reports on the Chippawa Hydro development the average taxpayer will be willing to consider some arrangement by which private capital, under proper regulation, will be given an opportunity to finance the power project on the St. Lawrence.

* * * *

THE TREATMENT of the proposal for an embargo against the shipment of American coal to Canada by Washington is another indication of international good-will. Of course Canada could retaliate by cutting off power or embargoing certain exports of materials, but there can be no doubt as to which country would get the worst of the argument in which the fuel supply is concerned.

* * * *

A CALGARY business man reports to THE FINANCIAL POST that the new city council seems to be out for economy and working hard to make a good record in this direction. Whether this is the only reason, he is of the opinion that "it is safe to say it is the very best council there has been in Calgary for many years." There is a growing appreciation on the part of the business community and on the part of all large taxpayers that there is a great need for increased economy on the part of those who control the civic purse strings.

Is the Grain Growers' Movement on the Wane?

Saskatoon Convention Ruled by Autocrat and Little Interest Shown—Agitators Succeed in Passing Resolution for Government Wheat Board—Membership on the Decline

By E. CORA HIND
Commercial Editor, Manitoba Free Press.

SASKATOON.—"We've spent six days time and about $30,000 and I'd like to know, what have we got out of it?" "Darned if I know." Question and answer came from two delegates to the Saskatchewan Grain Growers' convention held in Saskatoon January 26 to 30 inclusive, as they trudged from church to hotel for supper on the latter date.

There were veterans of many conventions when government owned vs. co-operative elevators and such like practical problems were fought out in the annual gatherings. Question and answer might well have voiced the sentiment of ever delegate who attended. Much straw was threshed over with a maximum of sound and dust but the resultant yield of grain in the form of constructive work accomplished was pretty small.

The question of a wheat board was one to receive first consideration and in view of the alternative plan suggested by the premier of the province much interest was attached to its discussion. There were few who expected any change of sentiment in favor of Premier Dunning's scheme but also probably few outside of those immediately connected with plans for a compulsory wheat board expected the convention to so openly declare in favor of a compulsory board for more than one year. Hon. George Langley's "Away with a voluntary wheat pool. I want a wheat board" evidently voiced the sentiments of the meeting, judging by vociferous applause. Premier Dunning spoke twice, first in his inaugural address and again when the resolution demanding a wheat board was actually before the convention. On both occasions he got an excellent hearing, though judging by the vote he made few converts to his way of thinking. He dwelt at considerable length on the terms on which Premier Bracken insisted, if he was to bring in legistion in Manitoba to establish a wheat board for one year.

There were three points of note in Premier Dunning's address, the first his emphasis on the fact that Saskatchewan still enjoyed a government founded on the British plan and that government was responsible to the electors as a whole and to no one else; the second was that there would be no wheat board unless a man or men that could "be trusted to the hilt could be secured," and his absolute refusal to be drawn as to what would be done until after he consulted the legislature.

Want All Powerful Board

The resolution demanding the wheat board with "as nearly as possible the powers of the original wheat board" was passed on Saturday but the resolution as to an attempted compliance with the terms laid down by Premier Bracken was not taken up until the following Tuesday. There was something charmingly naive in the discussion of this phase of the question. Over and over again it was emphasized that Saskatchewan grew more wheat than Alberta and Manitoba combined, why should Manitoba make terms? At the same time there was a manifest recognition that without Manitoba there would be a greatly reduced chance of the wheat boad being a financial success and the convention set about the formulating of a resolution that would appear to comply with Premier Bracken's conditions, at the same time leaving them perfectly free to work for a permanent compulsory wheat board.

The resolution finally adopted was a joke and it is difficult to believe that any delegate voting for it could for one moment imagine that Premier Bracken and his cabinet could or would be deceived by any such barefaced attempt to "whip the devil round a stump." This is the resolution:

"Resolved that the executive be asked to endeavor, in co-operation with the Provincial governments of the prairie provinces and the officials of the farmers' organizations in the development of a system of grain marketing."

President Maharg had assured them of his belief that "Premier Bracken's conditions were impossible of fulfillment."

Next to the wheat board, banking and the funding of farmers' debts suggested possibilities of animated discussion but they made hardly a ripple. In both cases resolutions passed originally by the Canadian Council of Agriculture were brought in by the executive and received the endorsation of the convention. In the case of banking, the resolution asked for a Royal Commission to go into the whole matter of Canadian banking and "until such a commission shall have been appointed and had time to report that no new charters be granted but that existing bank charters be extended for one year."

In the matter of funding farmers' debts a special committee of the Council of Agriculture to inquire into the possibility of some system of debt funding and bring their findings to the attention of the Provincial governments and the principal creditors with a view to securing favorable consideration was advised. There was some slight discussion of this latter resolution in the course of which it developed that the provincial debt adjustment bureau had done excellent work. In view of the very large number of resolutions on the order paper relating to banking in one form or another it was somewhat of a surprise that the resolution on banking brought in by the executive was adopted practically without discussion.

Communism Opposed

The action on immigration, while scarcely constructive, was at least not destructive. There were in all six resolutions on immigration on the order paper and while the resolution finally adopted was not among them they made rather illuminating reading as several of them indicated a growing uneasiness over the communistic doctrine being taught in a number of the foreign colonies and asked that immigrants with communistic ideas be excluded and also asked that foreign immigrants be not allowed to segregate in colonies. It was finally decided that it was not feasible to include these provisos in the resolution and they were dropped but the mere fact that they were aired before the convention may be of benefit.

Maharg an Autocrat

One fancies Bourinot, Cushing, Roberts and all the other worthys who devoted their lives to the expounding of parliamentary procedure and rules for "the orderly conduct of public meetings" must have turned in their graves not once but many times during the course of the convention at Saskatoon.

In common with the corresponding organizations in Manitoba and Alberta there was much talk of democracy and being democratic but in practice the domination of the convention by the chair and the constant discussion of every subject and every resolution by the chair was not only hopelessly unparliamentary but it has about the most autocratic domination of a deliberative body by a single individual possible to imagine and the effect on a large convention of which probably 50 to 60 per cent. were delegates attending for the first time was very bad.

In the early years of the presidency of J. A. Maharg it was reasonable to assume that in the matter of parliamentary procedure he sinned through ignorance and not of intent but with his more recent and somewhat lengthy experience in both Dominion and Provincial houses it is difficult to longer excuse him on the ground of lack of knowledge.

Motions to lay on the table were more than once ignored while on at least two occasions the discussion was allowed to continue and amendments to the motion before the house made after "the previous question had been moved." On a number of occasions when a resolution was read, the chair said, "I don't like that resolution," or "I resent such and such a word." This was generally when any criticism of the central board of the executive was stated or implied or any direction for future action of those bodies indicated. Apparently the Saskatchewan Grain Growers are not permitted to criticise either their board or executive nor question the actions of their officers in the past and certainly not "direct" or "order" them for the future but merely politely request them to consider doing thus and so.

Possibly the most amusing effort to dominate the convention from the chair was President Maharg's nomination speech on his own behalf before he had been nominated from the floor of the house. Evidently "thirteen" has no terrors for Mr. Maharg. He was out for the presidency of the Saskatchewan Grain Growers for a thirteenth year and no bones about it. He apparently feels quite competent to be the leader of what is really a Conservative opposition in the Saskatchewan house and president of the Saskatchewan Grain Gowers (pledged to the progressive movement in politics) at one end the same time, and do justice to both.

"He can turn a cat in a pan
And still was Vicar of Bray."

All attempts to do away with interlocking directorates to prevent members of Federal or local houses being officers of the association fell to the ground, as did the resolution to prevent the office of president or vice president being held by any one person for more than three years consecutively.

There is possibly a relationship between this steady pressure to control the convention from the chair and the decline in membership and the very marked falling off in attendance at the convention, which was considerably less than half that of 1921 and in Saskatchewan there has been no change in the unit of representation as there has been in Alberta.

The decline in membership by the way seemed to be a sore subject. A resolution was brought in with a view of amending the constitution so that membership would cease automatically on non-payment of fees and this was not at all acceptable to the chair as it was accompanied by the statment that the report covering membership strength "was misleading." President Maharg insisted that the $20,443 shown as membership fees paid in up to December 31st, 1922 indicated the membership but, as a matter of fact there was nothing to show that part of these fees were not back fees from 1921 or even 1920 as it appeared from the statement of the mover of this resolution that membership fees had not been fully paid up at the end of December in either of those years. The member moving the resolution was apparently taking the report as to actual paid up membership to January 15 of present year on page 31 of the agenda, which showed 16,508 as against 22,662, in 1921, a decrease of 6,154 for the year. The member who moved the resolution as to membership ceasing on non-payment of fees, claimed that there were many people in the locals (not life members) who attended and voted and indeed came as delegates to the annual convention who had paid no fees for years.

The retort of the chair to this was, "I suppose their locals wanted them or they would not have been sent."

The discussion would have been of little interest except that it was revealing in the light of previous claims as to the great strength of the organization. The man or woman who does not value the organization to the extent of $2.00 a year to cover membership in the local and upkeep of central can scarcely claim to have his wishes in regard to affairs in the province taken seriously. This question of membership is important because in the past the claims to recognition in legislation have been largely based on numerical strength and just in so far as that numerical strength lessens does their claim for recognition in legislation decrease.

The three "farmers parliaments" of the prairie provinces have now been held for 1923 and probably $75,000 to $100 000 have been expended on the holding of them, not a large sum to pay if from their deliberations even one constructive policy will emerge which will assist in putting agriculture in these provinces on a sounder and more profitable basis. Will any such policy emerge? We hope so, but like the wee Scotch laddie "We hae our doubts."

Saving Money for Our Readers

Perhaps the two greatest systems of fraud and graft worked upon business and financial institutions are in the name of advertising and charity. In the case of the former coercion is the most common method employed to get "contributions" which promise no real selling service in return: the victim tells himself that it is a good-will donation and unjustly charges it up to advertising. In the case of the latter, little benefit usually accrues to those in whose interest the contribution is made. THE FINANCIAL POST has exposed a number of these schemes. The Russian "Save the Children" campaign was one. Further justification of the stand then taken is contained in the following news item which is taken from the Temesvar Zeitung for December 30th:

HOW THE RUSSIANS SPEND THEIR MONEY—THEY ALLOW THEIR CHILDREN TO STARVE

Collections will again be made throughout the civilized world for the hungry Russians. This is only right, in that there are thousands of innocent citizens who are victims of the mad economic system of the Bolsheviki.

What, however, can be said in reply to the statement that while official Moscow is sending out call after call for help, thousands of workmen have money to spare which they send not to the starving in their own country—but to the strikers of Ludwigshafen.

The Berlin Socialist organ "Die Rothe Fahne" openly publishes the following communication:

SIX MILLION MARKS MORE FROM THE RUSSIAN WORKERS

According to a dispatch which we have received from Moscow, a further 6,037,000 Mks. have been collected from the Russian Red workmen for the Ludwigshafen workmen. According to the "Neue Wiener Zeitung" at least fifteen million marks have already been sent from Russia to the striking communists in the Ludwigshafen Aniline Dye-works. Is not this a direct challenge to those numerous aid societies who are never tired of collecting for the "poor starving Russians?"

Living Policyholders Return Leads Deaths

The old statement that it was necessary to die to win in the matter of insurance, is shown up in its true falsity by the annual statement of the Sun Life of Canada. This shows that the company paid out $4,600,000 in death benefits during the year. The amount paid to living policyholders, however, in addition to the cash surrender values, was $8,000,000. In a word, the maturing policies payable to living persons were practically double the amount payable to beneficiaries by the death of the insured.

Personals

F. J. B. RUSSILL, director of the Home Bank and the Capital Trust Corporation, has become a director of the newly organized Dominion Monetary Corporation Limited.

W. W. EVANS, Winnipeg, has been added to the board of the Toronto Casualty, Fire and Marine. He is president of the Canadian General Securities Co., managing director of the Traders Finance Co., Winnipeg, and a director of the Monarch Life Assurance Company.

T. J. BROWN is the new deputy minister of mines of Nova Scotia. He recently assumed his new duties. The appointment will be a popular one with mining companies and mining men. He began his mining experience as an office boy in a colliery. He applied himself steadily and promotion resulted and in a few years he found himself as manager. Later he became assistant to the general manager of the Dominion Coal, Hiram Donkin. Then came an offer with the N. S. Steel and Coal Company, a new experience. His experiences with this company are varied and now Mr. Brown succeeds Mr. Donkin as deputy minister of mines.

Province of Ontario

Twenty-Year 5½% Gold Bonds

Dated 1st Dec., 1922 Due 1st Dec., 1942

Principal and half-yearly interest (1st June and December) payable in gold in Toronto or Montreal. Bonds may be registered as to principal. Denomination: $1,000.

These Bonds and the interest thereon are a direct and primary obligation of the Province of Ontario and a charge upon the Consolidated Revenue Fund of the Province.

Price: 103.70 and Interest, Yielding 5.20%

Bonds are ready for immediate delivery.

A. E. AMES & CO.

Investment Securities.

UNION BANK BLDG. . . . TORONTO
TRANSPORTATION BLDG. MONTREAL
74 BROADWAY . . . . . NEW YORK
BELMONT HOUSE . VICTORIA, B.C.
HARRIS TRUST BLDG. . . CHICAGO

Established 1889.

Members of Toronto and Montreal Stock Exchanges

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

Policy Holders Mutual

W. G., British Columbia—Kindly give me your opinion as to the Policy Holder's Mutual Life Insurance Company.

While the Policy-Holders Mutual Life Insurance Company of Toronto is not a large institution we regard is as sound financially. It is carefully managed and handles only a very select class of insurance. For these reasons we believe that it is a safe company to insure with.

Mikado Mines

T. A., Toronto—Would you be so kind as to let me know what you think of the Mikado Consolidated Mines shares as a mining investment?

Mikado Mines is an interesting speculation. This property was worked years ago and some remarkable ore mined. There is said to be considerable ore remaining. The prospectus of the company quotes some interesting information that should be carefully analyzed. The new company hopes to succeed by the employment of modern methods of extraction where the old company failed.

Loblaw Groceterias

K., Toronto—Would appreciate any information you can furnish regarding the stock of Loblaw Groceterias. Do you consider this a sound investment?

Loblaw Groceterias, now operating twelve stores, seems to be efficiently managed. Operating costs are low. An evidence of the efficiency of this concern is said to be the Danforth Avenue store which sells close to $5,000 worth of goods each Saturday to a total of over 8,000 purchasers; this business is handled by 14 employees. The proposition should be classed as a business man's investment in which the holder of such stock should be in a position to watch it carefully.

Gold Pan Mine

E. D., St. John—I will appreciate all the information you can give me regarding the Gold Pan Mine in Manitoba.

The Gold Pan goldmine in Northern Manitoba secured some astonishingly rich samples from their property. The vein, however, was so small and the values so poorly distributed, except in a few rich pockets which were hard to find, that from the first it was evident that it had a very slim chance. It is also said that methods of financing and development both bordered on the reckless and of course this would not improve the company's chances. Experienced mining men are of the opinion that the only chance to make anything out of the property would be for a few good miners to lease it and gopher, even then they might have met with failure. It is believed that an attempt to do this later was made. Best have nothing to do with the proposition in any way.

Monarch Life

Reader, Kamloops—Could you please favor us with a report as to the financial standing of the Monarch Life Insurance Company? Do you consider them a good company to insure with?

The Monarch Life operates under a license from the Federal Department of Insurance and keeps a deposit of $60,000 with the Receiver General of Canada. The company is considered a good one. It has assets of over $3,000,000 and a policy reserve of $2,674,752. Cash premiums and interest earnings in 1922 totalled $1,011,357, an increase over 1921 of 18 per cent. After paying policy holders and shareholders dividends and writing off a substantial portion of general equipment and after providing for other liabilities and obligations, besides transferring to investment reserve $25,000, the 1922 net surplus increased to $154,020, a net increase over 1921 of better than 100 per cent.

St. Maurice Power

D.M., Nova Scotia—I want to ask your opinion on the matter of new issue of St. Maurice Power Company 6½ per cent. gold bonds. Do you consider these bonds at 99½ (issue price) a reasonably safe investment? How would this bond compare with bonds of Bell Telephone as regards safety of principal? Do you think there is danger of the power field in Quebec province being overdone? Would you advise me to buy or not?

We consider the St. Maurice Power issue an excellent one and reasonably safe for the investment of your money. We would not like to make a comparison with a seasoned issue like the Bell Telephone Company.

At the moment there seems little danger of the power field in Quebec being overdone. Canada's waterpowers constitute one of our most important resources. Further waterpower development will bring further industries, for industries follow the power. This company will sell its power to the very successful Shawinigan company which has been able in the past to market its power to good advantage and should be able to continue to do so. You would be justified in buying these bonds.

Saguenay and Dryden

F. C., Nova Scotia—Will you kindly give me what information you can secure on Dryden and Saguenay. I have an idea of buying Dryden common and Saguenay preferred to hold for an advance as a speculation, unless after receiving your report it is considered unwise to do so. My idea is that a person can buy quite a lot of either of these stocks for a small amount of cash and that even a small appreciation will give a fair profit on a turnover.

Saguenay Pulp preferred is all right as a speculation. The company has met with a series of discouraging conditions which have tended to keep the stock down. But now shipments are being made from the plants in increased quantities, shipments that represent profit to the company. The stock should improve in the future.

Dryden Pulp has also been improving its position and with an improved market for its products is showing up better than during 1920 and 1921, when heavy losses were sustained. The stock is very speculative but for a long pull has possibilities.

Lion Tire and Rubber

L. M., Toronto—Will appreciate information as to the financial standing of the Lion Tire & Rubber Company. Also any other information you may be able to render us in connection with the company and its stock.

H. H. Lang, King St., West, is the president of the Lion-Mead Rubber Co. Ltd., and amalgamation of the Lion Tire and Mead Universal which was made in July 1922. It is capitalized at $2,500,000. The company is reported building a factory at Hull and the roof is now being put on. How long before operations will start is unknown.

We have advised against the purchase of stock in the concern. It will be a long time before it will be on a dividend basis. Shareholders in the meantime will experience trouble in selling their shares. When the plant is ready the company will enter a field where competition from strong and efficiently managed companies is keen and while there will always be a demand for tires, the industry is subject to periods of readjustments when small companies feel the pinch.

Stock is still being sold in the vicinity of Hull, Que.

Goodyear Common

Reader, Manitowaning—Kindly let me have some information regarding Goodyear common stock now quoted at $16 per share. Would you consider this a good buy at present price?

We have been unable to secure any quotations on Goodyear. This stock is closely held and we doubt if any quotation of $16 was a serious one. The U. S. Goodyear Co. at Akron owns 76% of the common and employees own practically the balance. It is known, however, that an estate at Montreal owns 400 or 500 shares which might be marketed at any time. Earnings of the company in the last year were over $1,000,000 with carrying charges and preferred dividend requirements totalling $535,000, this leaving about $8 per share for the common. During the present year indications are that $10 will be earned on the common. There are in arrears nearly two years preferred dividends. In the recent adjustment the par value of the common stock was reduced to $10, the balance of the common reserve being taken to adjust the company's position. The reserve will be built up again and the preferred dividends brought up to date before common dividends will be resumed.

Three Silver Issues

Inquirer, England—Would you advise me on the standing of the following mine stocks: La Rose, Peterson Lake, Temiskaming.

La Rose is working five silver properties in Cobalt and is doing very well. Earnings are steady, costs are dropping and the company has a substantial cost surplus. It is in general good shape.

Peterson Lake recently leased its valuable holdings to the Mining Corporation of Canada to be worked on a percentage basis, the Pete Lake company to get 15 per cent. of the profits. The agreement is for five years and will at least ensure the development of the property. The Mining Corporation is now in possession. Temiskaming is closed down and has been for over a year. Its large cash surplus has disappeared, having been for the most part invested in the Blue Diamond Coal mine with the McIntyre Gold Mine on a 50-50 basis.

Temiskaming will likely re-open its property when costs are down and silver prices higher. When it closed back in 1921 due to the power shortage it was making changes in its mill to treat a larger body of tailings and slimes that may be expected to yield a fair profit. Temiskaming's future is for the most part dependent on the Blue Diamond Coal property which is steadily increasing its daily production and which has found in the Canadian National Railways a steady purchaser for its production.

Bank Note Circulation

Reader, Bentley—I would consider it a favor if you could give me an answer to the following three questions: Is it true as stated by a certain publication in Calgary that the bankers of Canada contracted the currency forty-three million dollars in the three months, October, 1920, to January 1921? What is the amount of money in circulation in Canada at the present time and what has been the shrinkage since the close of the war? Was the twenty-five millions loaned to Greece taken out of our circulation medium?

In reply to yours of February 5, would say that bank notes in circulation on November 1918 amounted to $234,982,978 and on December 1922 to $176,201,351. This was a reduction of $58,781,627. This reduction we do not think very significant as a contraction of money in circulation when the contraction in commodity values during the period is considered.

Bank notes in circulation on October 1920 were $249,165,000, January 1921 the total was $206,175,821, this is a reduction of about $43,000,000 during the period. Here again reduction in commodity values and the smaller requirements for money after the turn of the year as compared with October when the crop is being moved should be taken into consideration.

We do not see how the government loan to Greece could have had any effect on the bank notes in circulation.

Galt Brass Co.

Banker, N.S.—I would appreciate information re Galt Brass Co., stock in which is being offered at $90 per unit, one share preferred and one share common. We are informed that the company is in good standing and that the stock may be listed in the near future.

The Galt Brass Co. has 4,500 shares of Common and $325,000 of 8 per cent. preferred outstanding. Recently it disposed of $150,000 7½ per cent. 20 year, first mortgage sinking fund gold bonds to the Rogers Securities Cpn., which concern is offering them at par, plus interest. This latter company knew of no offering of stock at the price you quote. It was suggested that perhaps some house had secured a block of the stock and was taking this method of disposing of it. The fixed assets of the company, land, buildings, machinery, etc., are placed at $285,849 and the net current assets, after deducting current liabilities $141,287. During 1920-21 the company undertook to enlarge its plant which expenditures totalled about $100,000 which was paid out of earnings. The bond issue replaced this money in the treasury and allowed a margin for expansion of the business.

A statement of four months earnings ending Sept. 30, 1922 shows a net profit of $25,239. This is at the rate of $100,956. The bond interest will amount to $11,250. The preferred dividends $26,000, a total of $37,250. **Sinking fund charges would have to be first deducted before the amount available for the 4,500 shares of common, no par value, would be known.**

Durant Motors

Reader, North Bay—I would very much like to have you give me some information re Durant Motors. I have a few hundred dollars to invest and before doing so I would like to get your opinion on it.

Durant Motors sale of stocks was closed on January 15 and the company states no further share are available to the public. The company is getting into substantial production in Canada and the shares may have excellent possibilities. They are convertible at $30, that is, two of these shares for $30 worth of stocks of the Durant Co., that is incorporated under Delaware laws. The stock of the latter company sells around $70 in New York, which at first glance makes the Canadian shares mighty attractive. But we do not know how soundly this high quotation is based. The market price may be vastly different. The stock however is a fair speculation. The chief criticism of the Durant stocks is that Mr. W. C. Durant has, with very little capital investment on his own part, put himself in a position to control the holding of many thousands of investors. The company claims that 80,000 people have bought stock in the Durant companies. Adding in the holders of stocks in the various associated companies the total may be much higher. These people have invested millions with Durant yet the control of the enterprises to all practical purposes rests with Durant and his associates who have made comparatively small investments. Durant in the past has had the reputation of being a plunger. Many of his speculations have proven amazingly successful; others less satisfactory. Into his new string of companies he is throwing an amount of energy and initiative that is typical of the man. But again his methods suggest the plunger. And it is unsound in principle for any one man to be able to be in a position to take big chances, and all with the money of thousands of small, and in many cases, uninformed investors.

CURRENT OPINIONS

THE IMPERIAL OIL CO.'S WORK

Edmonton Journal

The letter which the president of the Imperial Oil Company sent to the Vancouver Sun, in reply to some articles which appeared recently in its columns, should have the effect of silencing such criticisms. They are not for the public good. While the company is seeking to promote its own interests, its extensive program of exploration is also very much in the interests of the whole country as well. Oil will never be found unless somebody takes the risk involved in drilling. The Imperial people have already spent three million dollars in their effort and every encouragement should be given to them to persist in this. If they succeed, Canada at large will gain much more than the **company's shareholders.**

It possesses no monopoly in the Alberta field. As Mr. Stillman points out, around each of the wells that it has drilled there are thousands of leases held by those who will profit if oil is struck. The federal treasury has been enriched by large sums through rentals and in case producing wells are obtained there will be much greater amounts collected in royalties.

To talk about the Imperial organization as if it were a public enemy is not only nonsense but dangerous nonsense. Idle chatter of this kind might quite conceivably help to bring about abandonment of the search. At any rate it is only fair to recognize that in the policy which it has pursued the company has been doing a very real national service.

BRITISH CAPITAL FOR CANADA

Vancouver Sun

Opportunities for the investment of British capital in the Canadian West are sought by Alfred E. Watts, Canadian director of a new British financial concern known as the Canadian British Corporation, Limited.

Mr. Watts' quest has led him to visit British Columbia personally.

This sign of renewed British interest in Canadian business is reassuring. It shows that the temporary loss of confidence which came with the Grand Trunk award and a few other small fiascos, is passing.

The situation is simply this. Canada must have capital for development. If British money does not come to Canada, American money will. Wherever the money comes from, there will the dividends go.

Canada prefers that the surplus profits from her enterprises should stay within the Empire.

With this revived British interest in Canada, the commercial forecast for 1923 assumes an even brighter hue.

Why Harken to Sucker-Seeking Oil Schemes?—Our Mines Need Capital

Canada's mining centres, especially those of Quebec, Manitoba, British Columbia and most of all, Northern Ontario, need immense amounts of capital for development. In fact for the next few years the measure of development is going to be dependant on the amount of capital that is forthcoming for this purpose. Canada's mineral fields are returning tremendous profits to those who place their funds in the hands of reliable mining men for investment.

With these facts in mind, it is more or less distressing to see such vast sums of Canadian money being sent across the border, presumably for investment in Texas and other oil fields. In many cases the donator of those good Canadian dollars, have, to use the parlance of the street, "fallen for sucker bait." The moment they part with their cash it is gone for ever. Those who got it are outside the reach of the Canadian law. They are immune.

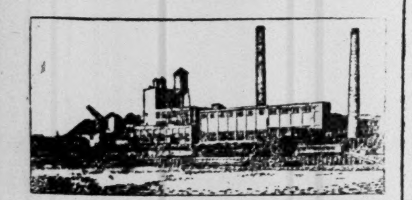
The best thing yet in Sucker-Seeking letters is one issued by the Vitek Oil and Refining Co. of El Dorado, Arkansas. It is signed by Paul Vitek who is pictured as holding the position of trustee. It is a gushing, heart-throbbing, pat-my-back picture of 100 per cent. dividends, two in number, the first "an evidence of success," the second, "proof of it," is the claim made.

"Think of it, 200% in cash dividends declared, and only two months in operation," is the way the gentleman put the matter up. And he promises more 100 per cents. He goes farther, perhaps some would say that his come-on effort is a little more cruder, a little more daring than the rawest heretofore, for he makes the statement, "Ten Gushers Guaranteed." This is all the information that is given on this rather minor point, at least it seems a minor point for it is the only one not developed fully, yet it is a declaration that few eminent geologists would care to make verbally, let alone to associate with the word guaranteed.

The letter makes no claim as to owning wells, refineries or anything of the kind. It is well written in that regard. Beautiful pictures of gushers shooting to the skies are nevertheless implanted in the reader's mind when the perusal is finished. It should not be allowed to carry anyone farther. The letter is designed to sell stock. Anyone that might be inclined to take the letter seriously might best see light by asking themselves why a concern, that can pay 200% dividends in 30 days, is selling stock. It might be asked why the cash was not kept in treasury, if funds were needed, and stock dividends given the original shareholders? But these are serious questions which should be reserved for serious enterprise. The Vitek Oil proposition is claiming too large dividends to warrant it being seriously considered.

Canadians possessing funds they are bent on speculating with, would do better to consult some good, mining people. They will get a good run for their money and as in the case of many northern mines, perhaps dividends of 200%, but not in 30 days.

RSC INVESTMENT-SERVICE



Partial View of Plant of Bathurst Company Limited

$32.50 on $500
$65.00 on $1,000

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The security behind these Bonds is in the ratio of 3 to 1 or $3,000 for every $1,000 Bond outstanding.

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MONTREAL

32.

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We have just completed a new Bond List containing an unusually wide selection of Canadian Government, Municipal and Corporation Bonds. At present prices, these offerings yield as high as 6% in the case of Municipal Bonds, and as high as 7.20% in the case of Corporation Bonds. Each offering is fully described, and we believe that this list will prove interesting to prospective investors of all classes.

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It will interest you.

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6% Debentures
Maturity, January 15, 1924/43 - Yield, 5.45%

$59,863
Village of Port Dover
5½% Debentures
Maturity September 1, 1924/33 - Yield, 5.45%
Maturity September 1, 1934/52 - Yield, 5.40%

$48,566
Town of Tilbury
5½% Debentures
Maturity December 1, 1924/42 - Yield, 5.45%

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Night Hawk Peninsular Gold Mines (Limited)

This property will be the next big producer in the Porcupine Camp. Advices from the mine indicate that they have well over $2,000,000 ore blocked out, averaging $13 to the ton, and are putting new ore in sight very rapidly. It is well managed and amply financed.

We believe the opportunity will richly reward any investor who will take advantage of the developments that are revealing surprising wealth in this North Ontario gold mine.

Complete data will be furnished on request

A. E. OSLER & COMPANY
Established 1886 — Melinda & Jordan Sts. — Phones: Main 7434-5

NEWS AND VIEWS ABOUT BONDS

LARGE NUMBER OF BONDS TAKEN UP IN SASKATCHEWAN

New Issues Have Been Closely Watched By Board

From Our Own Correspondent.

REGINA.—In the annual report of the Saskatchewan Local Government Board covering the year ended December 31, 1922, recently presented to the Legislature, the commissioners express appreciation of the continuance by the residents of Saskatchewan of the purchase of debentures issued by various local authorities. During the year 344 issues were sold amounting to a total of $2,192,671, and of these 136 issues were bought locally representing a total of $432,996.

Debenture issues authorised by the Local Government Board during 1922 totalled $1,890,261, or little more than half the value of flotations sanctioned in the preceding year. While the applications by local authorities for capital expenditures were numerous during the year, they were not so great as in 1921, due principally to the necessity of curtailing disbursement on account of lower prices received for agricultural products. Further reductions were made by the Board itself in connection with some of the applications.

Careful Scrutiny

"Proposals to incur capital indebtedness, whether large or small," says the report, "deserve close scrutiny, and individual attention to each proposal is necessarily given. The examination of applications to borrow by way of debenture is dealt with in the light of experience gained in the municipal growth and development of the west."

While authorisations of issues last year totalled $1,890,261, those of 1921 amounted to $3,210,039. The amounts authorised for the respective local authorities in 1922 were as follows: Cities, $889,915; towns, $141,287; villages, $42,075; rural municipalities, $12,000; schools, $514,550; rural telephones, $225,734; union hospitals, $64,700.

The Board cut down some of the applications, lopping off some $220,000 from the total applications; of this amount approximately $200,000 came off the cities' requests and another $20,000 came off the towns' applications.

An increase was shown in the amount of authorisations granted the cities and towns last year as compared with 1922, but the applications for expenditures by villages, school districts and rural telephone companies were markedly reduced as compared with 1921. Authorisations for schools, which in 1921 amounted to $1,576,173 were cut down to $514,550 last year and in the case of the telephone companies the 1921 total of $914,256 was reduced to $225,734.

Defaults

Some attention is paid in the report to the failure of local rural authorities to meet debenture payments when due. On this subject the report says:

"In a comparatively small portion of the province, which for a number of seasons in succession felt the results of crop failures, some rural telephone companies and school districts failed to meet promptly their debenture instalments as they fell due. The situation was frankly taken up with many of the investors concerned, the majority of whom, while disappointed in not having payment made on the due date, felt that the security behind the issue was amply substantial to insure no eventual loss in respect of the investment.

"There seems to be little probability that the expectation of investors will not be ultimately fulfilled without loss of principal or interest in respect of these investments in rural areas. It is pleasing to be able to record that generally, in the areas referred to above, the crops in 1922 were bountiful, and that when the financial returns are finally received from them, debenture coupons, with few exceptions, will be speedily met. A general clearing of debts in many of these communities was experienced in the past month, and will continue during the opening weeks of the present year."

Bain and Snowball is Name of New Firm

Two Toronto bond men have joined to form a new investment house under the name of Bain and Snowball. Government and municipal bonds will be dealt in and also a few high grade corporation issues.

H. R. Bain, one of the partners, has recently been in charge of the municipal bond department of Nesbitt, Thomson and Co. at the Toronto branch of that firm. Formerly he was with Edward Cronyn and Co. and prior to that was connected with the Canadian Bank of Commerce.

Ralph D. Snowball has had varied experience in bond circles. At one time he was manager of the bond department of O'Hara and Company. Later he became treasurer of the Canada Bond Corporation and has recently been bond manager for the Municipal Bankers Corporation.

EQUIPMENT BONDS MUST STAND ALONE

Government Will No Longer Guarantee Securities for C.N.R. Rolling Stocks

From Our Own Correspondent.

MONTREAL.—Announcement by the Hon. George P. Graham that government guarantee will no longer be given to the equipment bonds of the national railways denotes another step towards putting these lines on their own financial feet. Incidentally such a plan of financing the purchase of equipment will make it easier for the government to untie its hands if it at any future time decides to sell the government owned lines.

Railway equipment bonds are little known to Canadian investors although they have a wide market in the United States where they rank with the best investments. Equipment bonds of most roads rank higher than the ordinary bonds of these lines because they constitute a first mortgage on movable saleable equipment that can be used on any railroad while a first mortgage on lines of track is of less value if the line is not making money.

The minister's statement in the house was as follows:

"We cannot hope to carry on the business of this country and have our National Railway system compete with other lines and, what is of greater importance, transport the commodities which the people produce or require, unless we are able and ready to provide the necessary rolling stock and motive power that are required for these movements. We hope to finance the purchasing of the rolling stock as far as possible without appealing to parliament for assistance. I am not speaking positively, but for the most part we expect to finance the purchase of necessary rolling stock through the sale of equipment bonds.

"They will not have to be guaranteed by the government; that is my information. The company will purchase it, just as any other incorporated company would do, and the government will not be called upon to finance these purchases. The transactions will be carried on as in the case of the Canadian Pacific Railway or any other incorporated company. For the most part, the Canadian National Railway Company will provide its own securities for the purchase of stock."

AMES HOLDEN BONDS CARRY STOCK BONUS

Offered to Shareholders of Two Defunct Companies of Group

From Our Own Correspondent.

MONTREAL.—No essential change in the position of the Ames Holden McCready organization is involved in the offering for sale to shareholders of $1,000,000 of bonds in the new company. The bonds had already been purchased by D. Lorne McGibbon and their sale now only involves a splitting up of the ownership among numerous shareholders instead of one individual.

The bonds, which bear 6 per cent. interest and mature in 1947, total $2,500,000 in amount. Of the whole, $1,500,000 was set aside for exchange of the bonds of the old companies. Mr. McGibbon paid the company $950,000 for the remainder and is now offering them to shareholders on the same terms. Subscribers receive in addition 100 per cent. of the par value of bonds in no-par value shares of the new company. The privilege of purchase of the bonds is granted to all shareholders of either of the two former companies, Ames Holden McCready or Ames Holden Felt. Right to subscription is extended until April 1, next.

As interest on all of the bonds of the new company has been deferred for a period of two years from Sept. 1, 1922, purchasers of the bonds will be given such an amount of 10 year coupon notes of the company as will represent the amount of deferred interest.

WANT UTILITIES COMMISSION TO CONTINUE TO ACT

Bond Dealers Put Views Before Manitoba Government

Western bond dealers are urging the Manitoba government to continue the office of public utilities commissioner. This attitude is based on a report to the Western section of the Canadian Bond Dealers' Association by Peter Lowe, which states:

"After hearing the varied duties and service the public utilities commission is available for, I think we will all agree that a need exists for a commissioner having a very wide knowledge, power of sifting evidence and with a diplomatic turn of mind. One who is able to judge the public feeling, whose decisions will receive public support and at the same time give fair play to the companies owning the utilities. The present commissioner has been called upon since the inception of the act to consider many utility problems in dispute, fix rates, etc., and in my opinion has exercised his powers in a very fair and impartial manner. The necessity for such a commission has not ceased by any means, as we all recognize that we are still going through a period of adjustment. The managements of public utilities today are endeavoring to conserve their resources, are slow to improve their facilities, and justly so, in view of the fact that equipment, materials and all other requisites purchased should be obtainable at more normal cost. On the other hand, the public clamors for service at lower rates, labor demands the same rate of pay or better wages. The act is largely for the purpose of creating industrial peace and there is now and will be more necessity for the commission than in the past.

"It seems to be the opinion of the legislature that the public utilities commission could be dispensed with, the duties being taken over by the office of the provincial secretary. If such steps are taken the government will find that the provincial secretary will require the services of an expert having the same knowledge, experience and capacity as the present commissioner. Otherwise, we shall have a much-worried provincial secretary and one who will be compelled to call in excessive legal help to assist in his duties, at a much larger expense to the province than if the act is administered by a commissioner as now. The provincial secretary, without doubt, will have to leave the duties to others and cannot delegate anyone not having the same knowledge and capacity as the present incumbent.

"There are people of our province who would like nothing better than to see the public utilities commission used for politics, but the government should be brought to realize that the large majority of the people demand that it be removed from the political realm. The legislation brought in by the act is fundamentally sound and it was not the intention when brought into force that the government administer its powers. Our governments are altogether too subject to the demands of certain classes of the community that they take over duties which are best left to independent and impartial administration. The results of government interference in these matters in the past has been added taxes on the people and the future does not hold out any hope of a change.

"We, as bond dealers, are particularly interested in the question and should make representations to the government for a continuance of the commission, for the reason that if fairness and impartiality is not shown in dealing with the public utilities the securities of such utilities will suffer, with the consequent result that no new capital, which is highly necessary for the good of all, will find its way into the province; the service rendered the public will not meet the demand, which is very poor advertising for our cities and our province; and individually we must bring our influence to bear that acts of parliament, such as the Public Utilities Act, must be administered independent of the government. Again, the service rendered the people of the province by the commission in the matter of restricting the sale of stocks and bonds of companies, without first obtaining its authority, cannot be measured and there must be no break in this restriction and the powers of restriction must be in the hands of some one capable of using that power, so that the investment of the savings of the people are fully guarded."

BOND MOVEMENTS OF THE WEEK

Week Ending February 13

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	Range 1922 Low	Range 1923 High	Range 1923 Low	Latest Price Ask	Latest Price Bid	Week End High	Week End Low
Asbestos	5	1942	5.98	100	76	88½	87½	—	88	88½	87½
Bell Telephone	5	1925	5.30	98	94	99⅛	97¾	—	99	99⅛	99
Can. Bread	6	1941	6.22	99	88½	97½	96	—	97¼	97¼	—
Calgary Power	5	1940	7.42	72¼	72¼	76	75⅞	76	—	76	75⅞
Can. Cement	6	1929	5.80	100½	94	101	100	100½	—	101	100¾
Cedar Rapids	5	1953	5.23	97½	93	96½	95¼	—	96	96⅜	95¼
Cons. Rubber	6	1946	5.95	100¾	88	100⅝	100½	—	100⅝	100⅝	—
Can. Cottons	5	1940	5.97	88½	82	89⅜	88	—	87¾	89⅜	—
Dom. Iron	5	1929	6.21	94	82½	93¾	92¾	—	93	93	—
Dom. Textile, (B)	6	1925	5.95	101	97¼	100½	99½	—	100⅛	100⅛	—
Do., (D)	6	1925	6.00	100	98	100	100	99½	—	100	—
Lyall Cons.	6	1932	7.57	85	75	89	85½	89½	—	89	85½
Montreal May	6	1923	600	104	99	100⅝	100	—	100¾	100	—
Montreal Power	4½	1932	5.00	93½	91½	93½	92	92¼	—	92¼	—
Montreal Trams	5	1941	5.69	93½	87½	92	89¼	91¾	90¾	92	—
Ogilvie, (C)	6	1932	5.70	102½	100	102½	102	102	—	102¼	102
Penmans	5	1926	6.40	94¾	90	96	93¾	—	93½	95½	95
Quebec Rly.	5	1939	7.98	87¼	63½	74	69	73½	72½	74	72
Rio	5	1935	6.60	87¾	76	86½	85½	86¾	86¼	86	—
Span. River	6	1931	5.15	115	83½	106	103¾	104	—	106	—
Steel of Can.	6	1940	5.98	100¾	97	100½	99¼	—	99⅛	100¼	—
Wabasso	6	1947	6.47	94	89½	94	90¾	—	89	94	—
Wayagamack	6	1951	7.42	88¾	71¾	83	80½	—	82⅝	83	80½
War Loan	5	1925	4.76	96.30	96.10	100.65	99.10	——	100.65	100.65	100.40
Do.	5	1931	4.88	104.35	96.25	101.30	99.80	——	100.90	101.30	100.75
Do.	5	1937	4.78	101.50	99.50	102.45	101.25	102.60	102.35	102.45	102.15
Victory Loan	5½	1923	4.88	100.70	98.75	100.95	100.40	100.80	100.60	100.75	100.50
Do.	5½	1924	5.12	100.75	98.00	101.40	100.25	101.00	100.70	101.00	100.75
Do.	5½	1927	4.84	102.70	99.75	102.90	101.75	——	102.90	102.90	102.40
Do.	5½	1933	4.75	104.35	10125	106.70	104.40	106.40	106.30	106.60	106.15
Do.	5½	1934	5.10	101.45	98.80	103.90	101.30	103.60	103.40	103.90	103.20
Do.	5½	1937	4.76	106.25	103.00	108.15	106.50	108.10	107.90	108.15	107.30
Do., Ren.	5½	1927	4.98	101.10	99.40	102.60	101.00	102.50	——	102.50	—
Do., Ren.	5½	1932	5.14	101.10	99.70	103.00	101.00	103.15	102.80	103.00	102.50

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Feb. 7.	Montreal, Que.	Harris, Forbes Syndicate	5 %	31-yr.	$16,000,000	95	5.33
Feb. 13.	St. John's, Que.	R. T. Leclerc & Co.	5½%	4 & 10-yr.	150,000	99.07	5.65
Feb.13.	Seaforth, Ont.	Gairdner, Clarke & Co.	6 %	1937-51	22,500	106.17	5.52
Feb. 7.	Oshawa, Ont.	Stewart, Scully & Co.	5½%	15, 20, 30-in	234,420	100.91	
Feb. 7.	Barton Township, Ont.	Nesbitt, Thomson & Co.	5½%	20-yr.	6,500	100.39	5.47
Feb. 7.	Edmonton, Alta.	W. Ross, Alger Corp.	6 %	20-in.	12,000		
Feb.12.	Hanover, Ont.	Gairdner, Clarke & Co.	5½%	30-in.	135,000	99.77	5.52
Feb. 8.	Montreal R. C. Schools	Wood, Gundy & Co.	5½%	20-yr.	2,000,000	103.07	5.25
Feb. 14.	Simcoe	A. E. Ames & Co.	6 %	15 & 30 in.	89,401	103.1304	5.53
		CORPORATION					
Feb.12.	Ames Holden, McCready	Shareholders	6 %	25-yr.	1,000,000		

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Provincial Bonds for Reserves of Companies

Industrial corporations with business reserves to invest have been turning from Victory bonds of late to the higher yielding provincial issues and railway bonds bearing government guarantees.

The executives of these concerns feel that Victory bonds at present prices are rather high in price and are attracted by the greater income return on the other securities. Some concerns have gone so far as to sell Victory bonds now held to invest in government and provincial bonds. In buying such bonds, however, the gross gain is discounted by comparison with the tax exemption feature of the Victories.

CIVIC AND PROVINCIAL FINANCE

BOND OFFERINGS RATHER SCARCE: PRICES HOLD UP

Montreal R. C. School Issue the Only One of Any Size

Bond issues have been rather scarce during the past week, the market assuming a rather quiet aspect. There has been no tendency however, to weakness. Prices continue their recent firmness and any movement at all has been of an upward nature.

Five offerings were made during the week, the total involved being $2,541,920, the greater portion of which was a Montreal Roman Catholic school issue. This was for $2,000,000, 5½%, 20-year sinking fund bonds and were offered by the Catholic School Commission. The bonds are practically an issue of the City of Montreal as the City is responsible for the full collection of the taxes and providing for the sinking fund. Wood, Gundy and Co. were the successful tenderers at 101.71 or a cost basis of 5.36%. The tenders called for prices on both 5 and 5½ per cents. and the following were submitted:

	5½%	5%
Wood, Gundy & Co. ..	101.71	96.29
A. E. Ames & Co., R. T. Leclerc & Co., Dom. Securities Corp., Hanson Bros.	101.103	95.705
National City Co., Harris Forbes & Co., A. Jarvis & Co., Beausoleil & Co.	100.79	95.68
R. A. Daly & Co., R. C. Matthews & Co. W. A. McKenzie & Co., Newman, Sweezey & Co., McLeod, Young, Weir & Co.	100.47	94.84
Mun. Debenture Corp. ($100,000 only)	99.50	93.45
Bank of Hochelaga		95.75

The City of St. Johns, Quebec, has placed two issues for a total of $150,000 with R. T. Leclerc, the successful tenderers. One issue was for $85,000, due 1923 and the second $65,000, due 1927. Both bear interest at 5½%. The purchase price was 97.07 or on a cost basis of 5.65%.

The bids were as follows:

R. T. Leclerc & Co.	99.07
Beausoleil & Co., A. Jarvis & Co.	98.83
Beaubien & Co.	98.81
Mun. Debenture Corp.	98.77
Hanson Bros.	98.70
Wood, Gundy & Co., Gaudreau and Garneau	98.637
Versailles, Vidricaire & Boulais	98.12
McLeod, Young, Weir & Co. ..	98.07
Credit Canadien	97.

The Town of Oshawa sold bonds to the amount of $234,420 during the past week, the issue going to Stewart Scully & Co. at 100.91, a cost of 5.40% The issue is repayable in installments of 15, 20 and 30 years, bearing interest at 5½%.

The tenders were:

Stewart, Scully & Co.	100.91
Nesbitt, Thomas & Co.	100.61
C. H. Burgess & Co.	100.123
Macneill, Graham & Co.	100.118
Gairdner, Clarke & Co.	99.91
Wood, Gundy & Co.	99.81
Mun. Bankers Corp.	99.63
A. E. Ames & Co.	99.59
Dyment, Anderson & Co.	99.53
Dom. Securities Corp.	99.159
McLeod, Young, Weir & Co. ..	99.13
Murray & Co.	99.09
R. C. Matthews & Co.	98.87

Gairdner, Clarke & Co. secured an issue of the Town of Hanover, $135,000, 5½% bonds, maturing in 30 instalments at 99.77, a cost to the town of 5.52%. The list of tenders follows:

Gairdner, Clarke & Co.	99.77
Richardson, Singer & Co.	99.72
Wood, Gundy & Co.	99.618
A. E. Ames & Co.	99.50
W. C. Brent & Co.	99.32
Bell, Gouinlock & Co.	99.12
Macneill, Graham & Co.	99.11
Kackay and MacKay	98.70
Dyment, Anderson & Co.	98.22

Seaforth sold $22,500 of 6% serial bonds, repayable from 1937 to 1951, Gairdner Clarke & Co. securing the issue for $106.17, or on a cost basis of 5.52%.

The bids were:

Gairdner, Clarke & Co.	106.17
R. C. Matthews & Co.	105.71
C. H. Burgess & Co.	105.55
Wood, Gundy & Co., and Dom. Securities Corp.	105.07
A. E. Ames & Co.	103.75

A. E. Ames & Co. has purchased an issue of Simcoe bonds for $89,401. 6 per cent. due in 15 and 30 year installments at 103.1304 or at the cost of 5.53 per cent. The bidding was very close as the following figures show:—

A. E. Ames & Co.	103.1304
Gairdner, Clarke & Co.	103.13
Dominion Sec. Corp.	102.71
R. C. Matthews & Co.	102.666
C. H. Burgess & Co.	102.53
Wood, Gundy & Co.	102.43

Incomes Taxed By Ontario Municipalities

The effect of legislation of the past few years, in regard to the income and business assessments of Ontario municipalities, has been to greatly widen the portion of business incomes subject to municipal taxation.

In 1914 in Toronto, for instance, incomes were assessed to the amount of $16,000,000 representing about 3 per cent. of the total assessment. For 1923 the income assessment totals $71,000,000, or nearly 9 per cent. of the total assessment. The increases in each have been as follows:

Year	Income Assessment	Total Assessment
1914	$16,361,232	$513,380,984
1915	19,085,031	565,300,294
1916	19,400,361	585,936,141
1917	20,837,702	588,420,313
1918	25,235,458	602,939,239
1919	33,611,090	621,434,201
1920	41,024,838	641,454,156
1921	51,563,448	697,418,435
1922	74,517,604	776,134,636
1923	71,821,251	828,165,835

IMPROVEMENT IN BUSINESS IS STILL GRADUAL

(Continued from Page 1)

Alberta mines are getting double wages for their short hour day and are producing expensive coal which the farmer must buy.

Prices Out of Line

This deficiency in the buying power of the farmer is brought out in the February circular of the Royal Bank which, in reviewing price developments, makes the point that last year a decline of nearly 40 per cent. in wholesale prices was accompanied by a decline of only 24 per cent. in retail prices and emphasizes that the cost of living has not decreased in proportion to the decline in wholesale prices and quotations for farm products. The circular continues:

The only deduction that can be made from the foregoing facts is that there are certain costs affecting retail prices particularly, which either failed to decline to a degree commensurate with the decline in wholesale prices, or which actually increased, during the interval. An examination of the facts shows that such items as rents, labor costs, and the price of coal and of certain building materials, belong in this category. Wages, for example, do not rise as rapidly as prices, on the upswing of the cycle, nor do they decline so quickly in the reaction, particularly in a country where labor is well organized. Rents have continued to increase constantly according to the family budget index number of the Department of Labor, and have shown absolutely no tendency to respond to the fundamental change in basic conditions. As a result of the American coal strikes, the price of coal is another item which prevents living costs from declining, and the cost of certain building materials is still considerably higher than the normal pre-war levels. These prices as well as those of other relatively less important commodities or services, have prevented a decline which should reasonably have been expected, in the cost of living.

The reverse side of the situation leads to an equally interesting conclusion. It will be seen from a survey of the retail price index of the Department of Labor that those prices which were responsible, in the main, for the decrease in living costs which did take place, were the prices of farm products, particularly of potatoes and other vegetables and of dairy products and flour. Reference was recently made in these columns to the fact that the farmer is not yet receiving a price for his products which is commensurate with the prices which he is obliged to pay for manufactured goods. Until there is a better adjustment between the prices of farm products and those of manufactured goods, the purchasing power of an important section of the community will be low and retail buying will suffer accordingly. Eventually the normal relation between the wholesale and retail prices must be restored either by a decline in the prices of those commodities and services whose prices have not yet declined, or by an increase in wholesale prices.

BY-LAWS PASSED

Montreal—The by-law authorizing the city to issue bonds, debentures or registered stock of the nominal value of a million dollars the proceeds of which are to be used for the enlargement and development of the city waterworks and the construction of reservoirs and filtering basins was passed by the city council at the monthly meeting yesterday. The by-law provides that the bonds shall carry interest at five per cent. and mature at the end of forty years.

CLIFTON ASKS TENDERS

Clifton Porcupine mine has called for tenders to sink the shaft 200 feet to the 725-foot level. The company hopes to find perhaps greater enrichment of orebodies at depth.

THE MOTOR BUS NOT A SUCCESS OVER STREET CAR

Operation at Five Cent Fare Not a Success at London

From Our Own Correspondent.

LONDON.—London has had another set of engineers going over the transportation problem. Before the civic elections there was a survey by Engineer Bunnell, but that had to do with the offer that should be made for the street railway. The people looked over that report, and decided by their ballots that it was not good. The present report comes from two engineers who are interested in the motor bus proposition, and they have been going over streets and routes, and counting noses generally for the last couple of weeks.

Their report, which is fathered by Mayor Wenige, calls for sixty-two 25-passenger buses, at a total outlay of $800,000. It is estimated that they can run on a five-cent fare, and this ought to allow sufficient to retire the whole fleet every four years, as a quarter would be written off each year for depreciation.

The buses that have been operating in London for some months past—about a dozen of them—have not made money. Independent drivers who saw in the poor street car service here a chance to make some money when the five-cent fare was allowed by the Ontario Legislature, went ahead and tried the plan out. The bus mostly in use will hold from 16 to 20 passengers. The average run is a little better than 200 miles per day.

Right at the start the bus men started to sell tickets at six for a quarter, and have been doing so right along. It did not take them many weeks to find out that they were not in a very profitable business. Each bus owner has a driver to take part of the long shift with him. It has been found that the business is very hard on tires, especially in winter when there is so much sharp ice on the road, and the constant effort to get out of the ruts of the frozen highways is also hard on the tires. Figures gathered over a term of months show that a complete new set of tires is called for in six weeks or less. By the time the running expenses are paid and the salary of the driver, the best routes have not shown $100 per month clear profit for the owner of the car. Then, too, there is no amount being set aside for depreciation, so that when the car has been run to the point where it can operate no more, there will be nothing left but to scrap it and make another investment. It means putting up about $3,000 for the opportunity of earning $100 per month.

The bus drivers made the mistake of selling tickets for too little. Figures gathered by the men in recent weeks show that it is not possible for them to run under five cents, and some of them are convinced that to make money it would take four tickets for a quarter.

One of the dealers here told your correspondent that he had on his list at present four or five busses that the owners wanted to turn in on exchange for trucks to be used for commercial hauling or draying from London to outside points, as they were thoroughly convinced that there was no money in the motor bus service on the city streets for the purpose of carrying passengers.

The drivers, too, have been subjected to a great deal of uncertainty by the way in which the police commission have sought to place restrictions on their earnings by charging a heavy fee for the right to operate, and then seeking to force them to carry quite a heavy liability insurance. If these two changes become law it will mean that the motor bus will disappear from the streets of London.

Proportional Voting in Ontario Municipalities

Proportional representation at the will of the voters will be available in Ontario when the present session of the legislature concludes. A bill, giving effect to such legislation is now on its way through. The measure provides that five per cent. of the voters in a municipality can ask for a plebiscite on such a measure or it may be passed by a three-fifths vote of a council. Such a system of voting disregards wards. In other words it abolished the ward system, but in Toronto, Hamilton and Ottawa it is provided the cities may be divided into two or more sections.

TENDERS WANTED

Feb. 19, Trail.—$11,980, 6%, 20-year local improvements debentures. Wm. E. B. Monypenny, City Clerk.

Feb. 26, Regina.—$12,000, 6%, 10-year school debentures. J. H. Cunningham, Secretary.

Feb. 19, St. Lambert.—$350,000, 5½%, 30-year bonds. James R. Beatty, Sec.-Treas.

Feb. 20, Hull, Que.—$100,000, 5½%, debentures. Jos. Provost, Sec.-Treas., Hotel de Ville St., Hull. (See announcement elsewhere in this issue.)

Feb. 19, Bumaly, B.C.—$165,000, 5½% 15 and 20-year debentures. Arthur G. Moore, Clerk, Edmonds.

Feb. 19, Newmarket, Ont. — $94,000, 5½%, 15-year debentures. P. J. Anderson, Treasurer.

Feb. 28, New Toronto—$49,000, 6 per cent., 15 and 20 year bonds. W. E. Davison, Treasurer.

DEBENTURE NOTES

Barton.—Debenture by-laws amounting to $26,500 were passed at a recent meeting of the council.

Mr. H. Rupert Bain
Mr. Ralph Snowball
Announce
the formation of a partnership for the purpose of dealing in
Government, Municipal and Corporation Bonds
under the firm name of
Bain, Snowball & Company
302 Bay Street, Toronto

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THIS *institution offers a complete, efficient and thoroughly reliable Investment and Stock Brokerage Service including—*
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Our offices are recognized as headquarters for information on the Canadian mines. We are the only firm having a direct private wire system connecting all our offices with the big mining centers in Northern Ontario.
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THE SEAL OF SERVICE AND SATISFACTION
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Efficient Service at Moderate Cost
THE **STERLING TRUSTS CORPORATION**
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NORMAN SOMMERVILLE, K. C. ....Vice-President
CHAS. BAUCKHAM ....Managing-Director
22 King St. E., Toronto. Branch Office—Regina: Lorne Johnson, Manager.

We own and offer
3000 Shares
Par value $10.00
Maritime Telegraph and Telephone Co.
Common Stock
This company owns or controls through subsidiary companies and operates without competition, the telephone business in the Provinces of Nova Scotia and Prince Edward Island.
It operates under the jurisdiction of the Nova Scotia Board of Commissioners of Public Utilities. Under this control the company is permitted to earn after operating expenses and maintenance, more than sufficient to pay its fixed charges and dividend requirements.
Dividends at the rate of 6% were inaugurated on this stock in September, 1913, and were continued without interruption throughout the difficult war and reconstruction periods.
Since organization, the company has grown steadily and consistently, total assets having increased from $3,400,000 in 1912 to over $7,000,000 in 1922.
The Bell Telephone Co. of Canada owns a large interest in this Company.
Price $8.00 per share.
Dividend 6 per cent.
Yield 7½ per cent.
Descriptive circular on request.
JOHNSTON AND WARD
14 King Street East :: Toronto
MEMBERS Montreal Stock Exchange
Toronto Stock Exchange

We offer
Charles Walmsley & Co. (Canada) Limited
6% First Mortgage Twenty-Year Sinking Fund Bonds
Guaranteed unconditionally both as to principal and interest by
SIR W. G. ARMSTRONG, WHITWORTH & CO., Limited, of England.
Denominations of $500 and $1,000.
Price: 97¼ and Interest
Yielding about 6¼%.
HOUSSER WOOD & CO.
INVESTMENT BANKERS
10-12 KING ST. E. TORONTO

Geo. G. Elliott
Donald J. Macdonald
Harry E. Fairclough
Glenn A. Sullivan
Donald S. Knox
George W. Miles
announce the formation of
THE **MIDLAND BOND CORPORATION** LIMITED
to deal in high-grade Government, Municipal and Corporation Bonds.
Head Offices—409-10 Colonial Bldg., 13 King St. W., Toronto.
Telephone—Adelaide 1041-2.

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK
Republic of Haiti
(U. S. Customs Administration)
6% Gold Bonds, Due 1952
A very high grade security. The finances are under control of a representative of the United States Government.
Canadian Price to Yield
6.20%
Circular on request
THE
National City Company
LIMITED
74 Notre Dame St. W., Montreal Tel. Main 6493
10 King St. East, Toronto Tel. Main 6120

FOUNDED HB 1883
St. Maurice Power Co., Limited
6½%
First Mortgage Bonds
Due Feb. 1, 1953. Payable in Canada and New York.
This Company is developing 120,000 Electrical H. P. which, under contract, will be sold to the Shawinigan Water & Power Co. at a price sufficient to provide for operating and maintenance expenses and interest and sinking fund of the bonds.
Prices and full particulars on application.
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Investment Securities
160 St. James St. Montreal 63 Sparks St. Ottawa

Headquarters for Investors
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Members of the Montreal Stock Exchange
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MONTREAL

BRITISH COLONIAL FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion

Assurances in Force - $630,000,000
Assets - - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

LIFE INSURANCE FOR MEN OF AFFAIRS

Estates of any considerable value are subject to heavy death duties: Life insurance is the simplest method of providing for their payment. Have you set aside a policy to meet succession dues?

Business partners whose experience is vital to the organization require mutual life insurance protection. A heavy expense would be involved in replacing the ability of a deceased partner. Has your firm considered this?

Endowment policies can be secured to provide funds for meeting an obligation such as a mortgage loan, to mature at the end of a certain period. The premiums provide the necessary "sinking fund." Had you thought of this?

Policies can be secured that will pay monthly allowances to faithful employees whom you wish to remember and who you desire may remember you. Modern insurance is adaptable to every need.

Insurance sold on all approved plans at net cost.

The Mutual Life Assurance Company of Canada. Waterloo, Ont.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
POLICIES ISSUED FROM $500 TO $5000

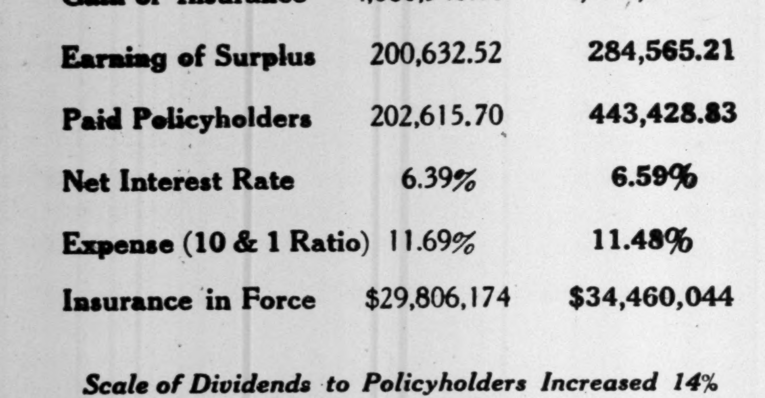
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

Shining Records

	1921	1922
New Issues	$7,342,030.00	$9,523,850.00
Cash Income	1,198,599.41	1,430,823.81
Gain of Insurance	4,060,348.00	4,653,870.00
Earning of Surplus	200,632.52	284,565.21
Paid Policyholders	202,615.70	443,428.83
Net Interest Rate	6.39%	6.59%
Expense (10 & 1 Ratio)	11.69%	11.48%
Insurance in Force	$29,806,174	$34,460,044

Scale of Dividends to Policyholders Increased 14%

CROWN LIFE INSURANCE COMPANY



IMPERIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE TORONTO

Accident and Sickness
Automobile (Non-tariff)

We issue the most up-to-date policies, and give every policyholder a highly considerate service. Test the truth of this with your next policy.

MERCHANTS CASUALTY COMPANY
(DOMINION LICENSED)
WINNIPEG : TORONTO : MONTREAL

INSURANCE FOR BUYER AND SELLER

COMPANY CONTROL IN FIRE INSURANCE IN BRITISH HANDS

Write Most Insurance and Own Many Canadian Companies

From Our Own Correspondent.

MONTREAL.—Sale of British America Assurance Company and Mount Royal Assurance Company to American interests indicates the new tendency in control of Canadian fire insurance. At the present time British companies write more fire insurance in Canada than either American or Canadian companies; in addition more of the so-called Canadian fire insurance companies are owned by British interests than by American and Canadian interests put together. Large British companies have absorbed most of the independent Canadian fire and casualty insurance companies. American fire companies have been purchasing some of the remainder. The question now is: will American interests fight financially with British interests to get control of the remaining Canadian companies and thus shift the "balance of power" in Canadian fire and casualty insurance?

Where Companies are Owned

How the control of Canadian companies is divided up is shown in this tabulation:

Capital of $1,000,000 and Up	
Owned in Canada	3
Owned in Britain	0
Owned in U.S.A.	0
Capital of $500,000 to $1,000,000	
Owned in Canada	0
Owned in Britain	1
Owned in U.S.A.	1
Capital of $250,000 to $500,000	
Owned in Canada	4
Owned in Britain	2
Owned in U.S.A.	2
Capital of $100,000 to $250,000	
Owned in Canada	1
Owned in Britain	13
Owned in U.S.A.	3
Capital of Less Than $100,000.	
Owned in Canada	4
Owned in Britain	4
Owned in U.S.A.	1

The significance of the British dominance in the field becomes more apparent when it is understood that in addition to controlling the Canadian group to a large extent the British companies write more insurance than the Canadian or American group. Taking fire figures only and not including any of the casualty lines the 1921 record was as follows:

FIRE INSURANCE 1921
Risks Taken

British Companies	$2,734,181,392
Foreign Companies	2,157,262,392
Canadian Companies	1,248,030,808
Total	$6,139,551,068

The Canadian Companies

The independent Canadian companies and their control is indicated in this list:

OWNED IN CANADA

British Colonial Fire. Capital $309,145. Largest stockholder is a French insurance company.

Canada National Fire. Capital, $1,872,845. Almost entirely owned in Canada.

Canadian Fire. Capital $1,000,000. Largely held in Canada.

Canadian Indemnity. Capital $300,000. Owned in Canada.

Casualty Co. of Canada. Capital, $47,333. Owned in Canada.

Dominion Fire. Capital $250,000. Owned in Canada.

General Animals. Capital $62,275. Owned in Quebec.

Grain Insurance Co. Capital $181,665. Owned in Western Canada.

Guarantee Company. Capital $304,600. Owned in Canada chiefly.

Merchant's and Employers Guarantee. Capital $99,500. Owned largely in Quebec.

Pacific Marine. Capital $264,060. Owned in British Columbia.

Protective Association. Capital $35,000. Owned in Canada.

Western Assurance. Capital $2,492,061. Owned in Canada.

OWNED IN BRITAIN

Acadia Fire. Capital $400,000. Owned by the Phoenix of London, $386,090.

Beaver Fire. Capital $237,395. Owned by the Union of Canton, $158,000.

British Northwestern. Capital $248,699. Owned by Eagle, Star and British Dominion, $239,574.20.

Pacific Coast Fire. Capital $552,281. Owned by Century of Edinburgh, $533,772.

Quebec Fire. Capital $125,000. Owned by London and Lancashire, $122,500.

Scottish Canadian. Capital $150,000. Owned by General Accident, $145,500.

North Empire. Capital $206,370. Owned by London Guarantee and Accident, $197,820.

North West Fire. Capital $96,400. Owned by Union Assurance Society, $96,400.

Occidental Fire. Capital $194,200. Owned by North British, $194,200.

Hudson Bay. Capital $222,550. Owned by Royal Insurance of Liverpool, $225,550.

Mercantile Fire. Capital $50,000. Owned by London and Lancashire, $47,600.

North American Accident. Capital $91,133. Owned by a single shareholder in Australia, $86,133.

Fire Insurance Co. Capital, $200,000. Owned by one English shareholder, $110,000.

Globe Indemnity. Capital $200,000. Owned by Liverpool and London and Globe, $198,200.

Guardian Insurance. Capital $375,000. Owned by Guardian Assurance of England.

Halifax Fire. Capital $240,000. Owned by Excess Insurance of England, $86,560.

Canada Accident. Capital $43,320. Owned by Commercial Union, $41,320.

Canada Security. Capital $205,000. Owned by the Norwich Union, $194,750.

Dominion Gresham Guarantee. Capital, $200,000. Owned by British Gresham companies, $195,000.

OWNED IN U.S.A.

Boiler Inspection. Capital $100,700. Owned by the Hartford Steam Boiler Insurance Co., $90,100.

British American Assurance Co. Capital $550,000. Control recently passed to Crum & Foster, New York.

Canadian Surety Co. Capital $250,000. Controlled indirectly by American Surety Co.

General Accident. Capital, $100,000. Owned indirectly by General Accident of Delaware, $96,500.

London Mutual. Capital $19,250. Owned by Hartford Fire, $17,675.

Merchants Casualty Co. Capital $101,577. Owned by Zenith Co. of Minneapolis, $41,709. By M. J. McMichael, Minneapolis, $44,125.

Mount Royal Assurance. Capital $250,000. Recently reported sold to United States interests.

Reliance Insurance. Capital $200,000. Owned by "Phoenix Securities Co.," probably American capital, $193,500.

Maccabees to Have All Policies on Legal Reserve Basis by Oct.

Subscriber, Collingwood.—I am insured in the K. O. T. M. Would you advise me to keep up this protection. Will they likely increase rates?

Northern Lumberman:

Would be pleased to have your opinion of the security behind Maccabees Insurance. Have $2,000 policy which I have been carrying as security for a friend and which has been paid for some 25 years at the regular rate, but as he has now reached the age of 55 years, have been advised by the Maccabees that before October, 1923, he will have to transfer into an ordinary life plan on which the rate would be $58.20 per 1,000, which is a higher rate than the regular companies. But, of course, he can get this without examination and it is doubtful if he could get any insurance if he had to undergo a medical examination. There is no doubt that up to this time he has been paying a very small amount for the protection, too small I expect, or this increase would not be necessary. Would you advise under the circumstances to take up this plan and is it reasonably safe, and that they will be able to carry on and pay their obligations? The writer has also $2,000 in the Maccabees which will have to be changed or cancelled in October, but I feel that I could pass medical examination for other insurance and would be pleased to have your advice as to what you consider best to do under both circumstances.

Between now and October 1, old members of the Maccabees must adjust their insurance policies or rates so as to place their policies on a legal reserve basis. That is the date set by the society leaders when they will bring all their insurance under the Amended Insurance Act of 1919. This amendment gave all societies until March 1925, to bring their rates up to the standard as set by the National Fraternal Congress table of mortality, plus 4 per cent. or any rate higher which the society may fix.

The Maccabees are not waiting until the limit of time has expired, but is now busy with adjustments and many old members are now receiving notice of the plans of readjustment. These old members have for years enjoyed cheap insurance. The fact of the matter is that they were getting this insurance below cost and the Government amended the Insurance Act so as to place all fraternal societies on a sound basis.

Undoubtedly it is going to go hard on some of the members. In some cases their rates are going to be doubled and trebled. In other words they will have to make up in a few years for the deficiencies of a number of years. The adjustment comes also at a time in their life when they have almost no option. Many are approaching the 60 mark. To drop the Maccabees and take out a policy with some other organization, might get them a little cheaper insurance, if it could be done, but the percentage of men who could pass an examination at that age is not large. To convert their policies in the Maccabees and pay the higher rate has this advantage. No re-examination is necessary. Of course, these members have the option of taking a re-adjustment in the face of their policies so as to bring their rates down. However, on the new basis of rates, members will not get any more than they pay for and their benificiaries will not receive any more insurance than the insured pays premium for. The Government has decreed that.

Evidently most of the old Maccabees are looking at the matter in that light, for it is officially announced that 95 per cent. of the membership so far canvassed, and the number has been large, have adjusted their rates so as to maintain their policies at their old face. The other five per cent. have either dropped the policies or adjusted the face downwards.

The Federal Insurance report for 1921, shows the financial standing of the Maccabees is sound. On deposit with the Receiver General, the Society has $183,510 which added to other assets gives the Society a total of $402,217 assets in Canada. The total assets of the Society in Canada, United States, Alaska and Hawaii are $20,767,252, and at the end of 1921 had $327,229,181 in force.

The Maccabees adjusted their rates in 1904 which brought them just under the present Government rates.

In adjusting their rates under the new law, the Maccabees have ensured the future soundness of the society, by placing their rates somewhat higher than the Government demanded. On the basis as set out by the Government, the deaths of men after they pass 50 are estimated at 11.44 per 1,000. The Canada Life's actual experience over 46 years was 11.14. The Maccabees' rates are based on a standard of 13.78 or 1.64 safer than the law requires. This is responsible for the recent official statement that the policies of the society which were already on the new basis were 115 per cent. solvent. This means that the society has 15 per cent. more than is required and this extra is being disbursed back to the members. All members will not receive 15 per cent. back. It will depend entirely on ages and the average mortality of the age. The cheques are already being sent to certain sections of the United States and Canadian policy holders, entitled to them, should soon receive theirs.

The new policies of the Maccabees are practically the same as those of commercial companies carrying the cash surrender paid-up and non-forfeiture features. The policies also contain the usual incontestible feature.

For the benefit of old members, it should be pointed out that the society has announced that the rate at which members may now adjust their policies, has been fixed on a somewhat lower scale than the rate which will be put into effect on October 1, 1923, in other words the rate that will apply to policies where action must be forced by the Society to bring the insured under the new order of things.

As to the specific questions asked, it is rather difficult to give reasons in detail for any conclusions. Factors in reaching such conclusions would be financial position, number of dependents and others. However, the broad principle can be laid down that it is almost impossible for a man to have too much insurance protection, while with the Maccabees on a basis similar to a commercial company, such insurance in future may well be looked upon as a form of an investment. As the new policies include ordinary life participating, twenty-pay endowment at 70, participating endowment at 70, participating life paid up at 70, participating twenty-pay life, participating and term insurance. Either of the above inquirers would be entitled to any of the above policies and without re-examination. We would advise each to make sure that they can get other insurance before dropping their policies, as they hint they may do. The old adage about the bird in the hand being worth two in the bush, being most applicable here.

$30 SHARE FOR MOUNT ROYAL MINOR HOLDERS

Between $55 and $60 for Shares of the President

From Our Own Correspondent.

MONTREAL.—Minority shareholders of the Mount Royal Assurance Company, which was sold last week to an American insurance company, are offered $30 a share for their holdings. The transference of their shares to the new owners is not essential to the closing of the deal but already a large number have accepted the offer made to them and 95 per cent. of the stock is now in the hands of the purchasers, the Great American Insurance Company of New York.

As pointed out in THE FINANCIAL POST last week, Hon. H. B. Rainville, president of the company, receives $750,000 for his control of the company. The payment was made in a lump sum, not on the basis of any definite price per share. As he held about 52 per cent. of the outstanding stock this sum represents between $55 and $60 a share for his holdings.

Terms of Sale Criticized

There has been considerable criticism of an arrangement that would net the president of the company over $55 a share for his stock while the minority shareholders receive only $30. On the other hand it is pointed out by the president's associates that what he sold was not his 52 per cent. of outstanding stock but the control of the company that was represented by this stock. He sold the control for a lump sum, $750,000. In selling out his interest he stipulated that the minority shareholders should be offered $30 a share for their stock—the par value is $10—and as was pointed out above most of the minority shareholders have sold their stock at this figure. THE POST is informed that the directors of the company and Mr. Rainville's relatives who were large holders of stock all received $30 a share for their stock. The minority shareholders did not have to sell at that figure if they considered their stock worth more. It was a "take it or leave it" offer.

The present manager of the Mount Royal Assurance Company is P. J. Perrin, who will, it is understood, remain in charge of the operations of the company.

The Great American is one of the larger American companies. It has a paid up capital of $10,000,000 and in Canada has a total income of around $800,000 annually.

Tragic Deaths Add To Insurance Co. Losses

Claims arising from drowning, suicide and murder, according to the address of the president of the Great West Life, made the losses of the company a great deal more than usual during the last year. The report also made the statement that "We find the automobile is much more deadly than the railway train."

THE **WESTERN EMPIRE** Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON — EDMONTON
CALGARY — VANCOUVER

British America Assurance Co.
Fire, Marine and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over $52,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses Paid Since Organization $84,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York). D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

Black & Armstrong
WINNIPEG
Western Branch Managers for
North American Accident Ins. Co.
Casualty Insurance
Imperial Assurance Company
Hail — Fire — Automobile
Century Insurance Co., Ltd.
Fire
Great American Insurance Co., New York
Inland Marine — Fire — Auto
Canadian Guarantee Managers for
The Excess Insurance Co. Ltd.
London — England
Guarantee Bonds — Hail Insurance

Agency Wanted for P.Q

French bond dealers' firm, having 1,500 agents doing a large securities business in the Province of Quebec, wants exclusive or special agency for first-class fire and casualty companies in that Province. Having entered the insurance field on a small scale a few months ago, has already established wide connections with the best class of local agents. Could show results from the beginning.

Address reply to Box 26, The Financial Post

WINTER SPORTS IN MONTREAL

Montrealers and their guests are revelling in the delights of Winter Sports during the Winter Carnival period, which will continue up to March 1st. Where else in North America do you find it more delightful; where else will you find the joys of the most joyous season of the year so all-pervading or so accessible as in that fine old city rambling for miles up and down the banks of the mighty St. Lawrence river, and more than half surrounding historic, hoary old Mount Royal? All the Canadian winter sports, including skating, snow shoeing, tobogganing, ski-ing, ski-joring, hockey, curling and sleigh-driving can be enjoyed.

The Grand Trunk Railway offers exceptional service to Montreal, and any information desired will be gladly given by any of the Grand Trunk Agents.

Assistant Fuel Administrator Harry F. Peters, says 6,000 cars of 240,000 tons of coal are tied up in Jersey terminals because of lack of facilities for handling.

REWARD IN WEST FOR THOSE WHO WILL WORK HARD

That Has Been Proven In Last Year, Says Loan Officer

That the Canadian west with its great natural resources has proved, even in 1922, difficult as it has been, that it can produce results sufficient to maintain in comfort as many people as will come to the country with a full determination to take advantage of the opportunities available on every hand, is the encouraging statement with which President M. Bull, accompanies the annual report of the Home Investment and Savings Association. The statement of profit and loss shows some contraction in profits as compared with previous years but dividends were maintained with only a very slight reduction of the surplus. Following are comparative figures:

	1922	1921	1920
Profits	$ 87,491	$ 89,682	$106,411
Taxes	8,355	8,069	11,371
	$79,136	$ 81,613	$ 95,040
*Bal. forward.	97,244	95,069	74,463
Prem. on stock	....	10	10
	$176,380	$176,692	$169,513
Dividends	79,412	79,404	79,391
Balance	96,968	97,287	90,121
	$176,380	$176,692	$169,513

*After adjustment of Dominion Tax.

The company's record of earnings since 1915 is summarized as follows:

Year	Paid-up Capital	Profits	on av. Div.	Cap.	Earn Rate
1922 ..	$992,674	$87,491	8.8	8	5.5
1921 ..	992,630	89,682	9.0	8	5.6
1920 ..	992,482	106,411	10.7	8	7.0
1919 ..	992,352	101,231	10.2	8	6.7
1918 ..	991,928	106,523	10.7	8	7.0
1917 ..	989,131	112,679	11.4	9	7.5
1916 ..	984,481	113,904	11.7	9	7.5
1915 ..	981,726	126,551	13.0	9	8.5

The balance sheets shows assets of $2,401,362 as compared with $2,375,342 in the previous report. The reserve fund stands at $500,000 as compared with a paid-up capital of $992,674. In addition there is a contingent fund of $25,000 and undivided profits of $96,968.

Northern Life Has Reduced Its Costs

During the past year the Northern Life Assurance Co. wrote and revived $9,793,238 in business, an increase of $1,161,587, or 13.5% which brings the amount of insurance in force up to $30,463,796. It was a good year for the company and a new method of conducting field work brought about a desired improvement and promises that future expansion will be less expensive than heretofore. The year's income almost reached the million mark from premiums alone, being $913,437, while the total income was $1,185,803. The surplus was increased by $144,314 while the total amount paid or credited to policyholders and benificiaries reached $827,896. The average rate earned by the company's investments was $6.91.

DOMINION LIFE MEETING

A story of substantial progress was told to the annual meeting of the shareholders of the Dominion Life. The total of $18,804,742 was given as the amount of business written and revived and the year 1922 ended with $59.607.578 insurance in force. Assets of the company increased $1,087,893 to $8,223,589 while the interest earnings of the company reached the high average of 7.07%. The policyholders' payments were $617,133, while the policyholders' surplus was increased by $106,850 to $793,777. Total reserves stand at $6,979,305 an increase of $1,024,527.

CANADIAN SURETY CHANGES

E. J. Walsh, of the Canadian Surety Co., is the new superintendent of agencies with his headquarters in Toronto. John B. Alexander has been named manager at Montreal for Quebec, Maritimes and Newfoundland, Mr. Walsh's old post.

METROPOLITAN'S HUGE TOTAL

The Metropolitan Life in 1922 placed a total of $1,802,110,686 in new business on its books in 1922, the greatest total of business ever written in any year, says Pres. Haley Fiske.

SASKATCHEWAN LIFE

Income for last year was more than $200,000

The income of the Saskatchewan Life during 1922 was $200,355 while new insurances totalled 609 policies for $1,251,115 bringing the total in force at the end of the year up to 2,011 policies for $5,072,539 insurance.

The total assets amount to $655,461.26, of which $450,171.00 is real mortgages, and bonds and debentures owned outright. The increase in market over ledger values, of bonds and debentures is not included. After providing for all liabilities, including policy reserves $407,553.00, taxes due and payable in 1923 and the paid-up capital of $100,000.00, there remains a surplus of $71,000.00 of which $10,000.00 has been set aside for profits to policy-holders, $20,000.00 for general contingency fund and $41,000.00 not allotted. Seven policy holders died during the year, the claims totalling $15,000. The mortality rate was 30% of the expected.

SUN LIFE'S YEAR WAS EXCELLENT ONE

Company Brought Total Assurances Up to $631,404,869

The Sun Life Assurance Co. increased its assurances in force in 1921 by $94,686,738 bringing the total in force up to $631,404,869. New assurances issued and paid for in cash during the year, reached the total of $90,798,648. The annual report just issued is a story of strength and development. The advance in assurances in 1922 was the greatest in the company's history. Cash income is another striking figure in the year's report, the cash income from premiums alone reaching the high water mark of $36,251,322, representing an increase of $5,144,172 over 1921.

The Sun Life assets now total $174,088,858, having been increased by $44,716,730. The surplus stands at $14,269,420 after assessing liabilities on an appreciably higher basis than the insurance act demands, making substantial appropriations for investment fluctuations and other contingencies and providing for capital stock. The surplus increase over 1921 is $3,885,511. Investments during the year earned an average rate of 6.27 per cent.

Policyholders, annuitants and beneficiaries received from the company $15,615,505 during the year which makes the total the Sun Life has distributed in its 51 years of business, $129,770,509. Dividends allotted or paid to shareholders in 1922 were $2,763,816.

The Sun Life at the present time maintains selling organizations in upwards of 50 countries.

THREATENS TO CANCEL POLICIES ON PRAIRIES

Farmers' Mutual Says Carelessness Cause of Majority of Fires

That fire claims totalling $191,300, which the Portage la Prairie Farmers' Mutual Fire Co., paid to farmers last year, are far too great and that most of them were due to carelessness and could have been prevented, is the statement made in the directors annual report of the company. Another big loss feature was Cyclone and Wind due to the heavy storm of June 23, "a day long to be remembered in the history of this company" adds the report. This total was $143,864. It says that this claim is to be taken as an evidence of the necessity of Windstorm insurance in Manitoba.

The enormous loss claims of the year necessitated the company making an increased assessment on its policy holders during the year and in his report the secretary-treasurer makes the threat, that if the fire claims still continue in some districts, all insurance will be cancelled and the company will pull out. He says it is the intention to use every endeavor to reduce fire claims. The cyclone claims he says totalled 1,000 in number.

Policies issued during the year totalled $26,503,633 which brought the total insurance in force up to $72,017,325. The company's assets total $1,041,918. The total claims of the year were $349,059.

THE SASKATCHEWAN LIFE INSURANCE COMPANY

Synopsis of 1922 Report.

	1917	1922	Increase
Insurances in Force ...	$2,315,306:00	$5,072,539.00	$2,757,233.00
Total Assets, Ledger Value	204,423.00	588,461.00	384,038.00
Premium & Interest Income	81,888.00	200,356.00	118,468.00
Surplus: (including paid up Capital of $100,000.00)	122,357.00	171,060.00	48,603.00

Mortality Experience 30% of the Expected.
Rate of Interest earned on Investments 7.17%.
Detailed report furnished on application.

Managing Director and Secretary. T. F. CONROD,
President. CHAS. WILLOUGHBY,

HEAD OFFICE: 1819 Cornwall St.
SASKATCHEWAN LIFE BUILDING REGINA, Saskatchewan

DREW ON RESERVE TO MAINTAIN THE SHARE DIVIDENDS

Colonial Investment Made Allowance For Depreciation and Loss

With net profits of $40,680 compared with $69,425 in 1921 the Colonial Investment and Loan Company paid one 3 per cent. dividend on the ordinary permanent stock and two 3 per cent. dividends on the permanent preference stock. This took $74,486 and reduced the balance $37,986 to $4,180. Following are comparative figures:

Year	Paid-up Capital	Profits	Div.	% on Cap.	Earn. Rate
1922	$ 647,988	$ 40,680	6	6.3	4.1
1921	1,251,382	69,425	6	5.5	4.1
1920	1,250,926	168,991	6	7.8	6.2
1919	2,458,421	136,438	6	5.6	4.7
1918	2,456,402	156,133	6	6.5	5.6
1917	2,455,375	155,879	6	6.5	5.5
1916	2,453,995	167,066	6	7.0	6.0
1915	2,452,868	196,923	5	8.0	7.9

The company's earnings record since 1915 is summarized as follows:

	1922	1921	1920
Profits .. .	$40,680	$ 69,425	*$168,991
Bal. for'rd	37,986	43,634	16,161
	$78,666	$113,059	$185,152
Dividends .	74,486	75,073	129,426
Int. on pref.	....	....	12,092
Balance . .	4,180	37,986	43,634
	$78,666	$113,059	$185,152

*Includes $76,856 profit from sterling exchange on retirement of debentures.

The president, Arthur J. Jackson, brings out the point that the net profits were not brought down until losses on sales of real estate and losses in adjusting values of stock held to the market price at December 30th 1922, had been taken into consideration. He also points out that the sum of $59,324 representing net depreciation in western property, according to valuations by the company's inspector during 1922, and depreciation in Ontario property has been written off the real estate reserve, leaving a balance of $40,675. The permanent preference stock redeemed under by-law 8 has been written off with the exception of $19,944, stock certificates for which have not yet been presented; provision has also been made for the redemption of permanent preference stock.

EASTERN SAVINGS LENIENT ON LOANS

Extensions Granted Where Company Had Ample Margin

Continued increase in earnings of the Eastern Canada Savings and Loan Company was shown in the annual report for 1922. The net profits, however, were somewhat reduced owing to the larger amount paid out in interest and for expenses. Of the net profits available of $64,001, $60,000 was paid out in dividends and $4,000 added to the reserve. Following are comparative figures:

	1922	1921	1920
Earnings	$169,055	$161,211	$153,580
Interest	63,790	56,724	60,982
Management .	30,140	27,587	21,144
Written off .	1,150	1,025	1,091
Taxes	9,974	10,019	11,060
	$105,054	$ 95,355	$ 94,277
Net profits ..	64,001	65,856	59,303
Dividends .. .	60,000	56,856	44,967
Reserve	4,000	9,000	14,336
	$64,000	$ 65,856	$ 59,303

Following is a summary of the company's earnings in recent years:

Year	Paid-up Capital	Profits	Div.	% on av. Cap.	Earn Rate
1922 ..	$750,000	$64,001	8	8.5	6.1
1921 ..	749,840	65,856	8	9.2	6.5
1920 ..	600,000	59,303	8	10.6	7.4
1919 ..	502,300	51,912	8	12.6	8.2
1918 ..	375,000	43,426	8	11.7	7.6
1917 ..	372,890	43,932	8	12.2	8.0
1916 ..	359,450	37,865	8	12.0	8.2
1915 ..	250,000	31,000	8	12.4	8.1

The president, S. M. Brookfield, explains that all the mortgages held by the company are on the instalment plan and owing to the general depression it has been the company's policy to help those who found it difficult to meet instalments by extending the term of the mortgage and making the payments lighter. This of course was only done in cases where the original amount loaned had been considerably reduced and the security considered ample. The arrears of principal and interest are only one-half of one per cent. of the amount out on mortgages. Expenses were increased during the year owing to the company carrying the Bank of Montreal building purchased but not occupied. The change was not made owing to the dull real estate market making it an unfavorable time to dispose of the office building now occupied.

Mortality Average of Sovereign Very Low

The Sovereign Life wrote $3,747,653 in new business and revivals in 1922 which brought the company's business in force at the end of the year up to $16,485,259. The year's receipts were $649,153 of which $512,886 represents income from premiums and $130,987 from investments. The excess of receipts over disbursements was $280,896, while the total assets at the end of the year stood at $2,474,692. The year's net surplus was $135,174 as against $120,082 for the year previous. Interest earnings were 6.94%. The mortality average was 36.2 of the expected. This company has distributed to policyholders', etc., since it entered business, $1,339,020.

THIRTY-NINTH ANNUAL REPORT OF THE

Portage la Prairie Farmers Mutual Life Insurance Company

Officers and Directors:

Honorary President, THOMAS SISSONS. President, E. H. MUIR.
Vice-President, M. G. TIDSBURY.
Inspector and Valuator, T. H. LAMONT. Treasurer, A. H. THORPE.
Manager and Secretary, STRATTON WHITAKER.
Directors: E. H. MUIR, M. G. TIDSBURY, JAS. McKENZIE, P. D. McARTHUR, JOS. W. YUILL, JOS. TRIMBLE, ROBT. McDERMOTT.

FINANCIAL STATEMENT

RECEIPTS		EXPENDITURES	
Balance in Bank, Dec. 31, 1921	$ 64,230.38	Loss Claims	$349,059.26
1922 Assessments	368,320.15	General Expenses	66,495.04
Prior Assessments	27,935.49	Reinsurance	29,575.63
Cash Premiums	14,080.75	Refunds	3,090.27
Interest on Bonds and Deposits	5,452.08	Government Deposit for Cash Premiums	5,000.00
Reinsurance on Loss Claims	31,454.05	Balance in Bank of Montreal	58,252.70
	$511,472.90		$511,472.90

ASSETS		LIABILITIES	
Bal. of Prem. Notes, Dec. 31, 1922	$780,408.16		
Cash in Bank	58,252.70		
Provincial Government Farm Loan Bonds	70,000.00		
Deposit with Government	5,000.00		
1922 Assessment Unpaid	123,598.51		
Accrued Interest	1,980.00		
Reo Truck, Depreciation Deducted	1,260.00		
Office Building, Site and Furniture, after allowing for depreciation	14,600.00	Reserve for Cash Premiums	$ 13,181.00
		Balance of Assets over Liabilities	1,041,981.37
	$1,055,099.37		$1,055,099.37

AUDITOR'S REPORT

734 Somerset Block, Winnipeg, Man., January 18, 1923.

To the President and Directors, Portage la Prairie Farmers' Mutual Fire Ins. Co., Portage la Prairie, Man.

Gentlemen: I beg to report having audited the books and accounts of the Company continuously throughout the year.

The Bonds owned by the Company have been verified and the accompanying statements agree with the books of the Company, and I certify same to be correct.—Yours respectfully,

C. D. CORBOULD, C.A.

Insurance Written During 1922 .... $26,503,633.00
Increase for the Year 1,544,993.00
Total Amount Business in Force 72,017,325.00

All Claims, whether Fire, Lightning or Windstorm, received during 1922, have been paid. There are no outstanding loss claims.

Results For 1922

Net Income	$ 649,153.71
Held in Trust for Policyholders (Including provision for Deferred Profits)	2,137,169.93
Total Assets	2,474,692.73
Policies Issued and Revived	3,747,633.00
Insurance in Force	16,485,259.00
Market Value of Bonds in excess of Book Value	$ 38,967.00
Special Reserve Funds	90,000.00
Unassigned Surplus	135,174.29
Surplus over Capital and all Liabilities	264,141.29

Reserve Valuation on 3% standard for over 80% of Insurance in Force. Average Interest Earnings increased to 6.94%. Death Claims only 36% of Expected. Profits to Policyholders increased.

Sovereign Life Assurance Company of Canada

HEAD OFFICE - - WINNIPEG, CANADA

(Full Annual Report upon request)

DEMAND FOR LOANS GREATER THAN FUNDS

Larger Amount Could Have Been Placed by Peoples Loan if Available

Net profits of the Peoples Loan & Savings Corporation of $32,453 for 1922 compared with $29,229 in 1921 and $28,393 in 1920. After the payment of dividends $7,000 was added to the reserve and $760 written off. Following are comparative figures:

	1922	1921	1920
Net profits	$32,453	$29,229	$28,393
Bal. forward ..	3,282	3,854	4,589
	$35,735	$32,813	$32,982
Dividends .. .	24,779	24,531	24,398
Reserve..	7,000	5,000	5,000
Written off .. .	760	....	....
Balance.. .. .	3,196	3,282	3,584
	$35,735	$32,813	$32,982

The company's earnings record since 1915 is summarized as follows:

Year	Paid-up Capital	Profits	Div.	% on av. Cap.	Earn Rate
1922 ..	$496,008	$32,453	5	6.6	5.7
1921 ..	494,101	29,229	5	5.9	5.2
1920 ..	489,388	28,393	5	6.0	5.2
1919 ..	486,720	31,654	5	6.6	5.9
1918 ..	482,954	30,312	5	6.3	5.9
1917 ..	480,877	29,855	6	6.3	5.8
1916 ..	474,394	31,691	6	6.8	6.3
1915 ..	463,621	29,640	6	6.5	6.0

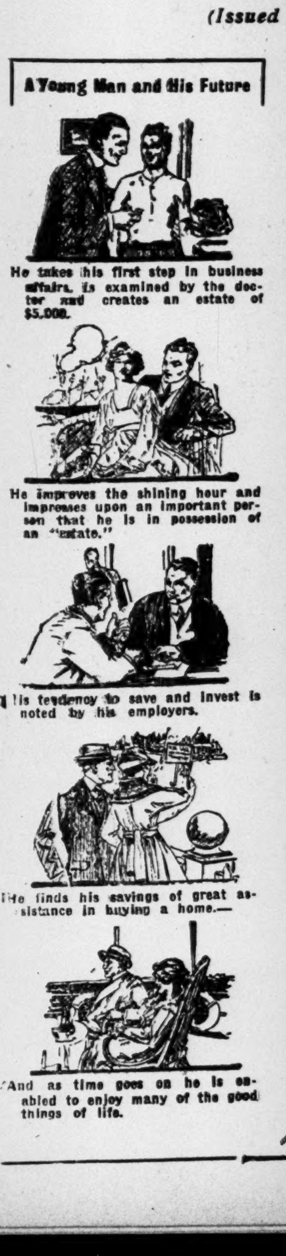
The reserve fund now amounts to $7,000 being 15.52 per cent. of the paid up capital. The president, A. A. Campbell, points out that the demand for money on first mortgages has continued active and the directors could have safely accepted, from the applications received, a much larger volume of business if loaning funds had permitted.

SURPLUS OF $273,859.

The Western Empire Life report for 1922 shows that the revivals and new business transacted fell just short of the million-dollar mark, the figures being $979,328, making the total in force $6,377,452. The company's net revenue was $174,864 and total income $237,007. Interest earnings contributed $42,428 or an average rate at the high mark of 7.26%. Total assets now stand at $864,176, while the surplus has increased to the splendid total of $273,859.

The New Twenty-year Capital Return Policy

(Issued by The Canada Life)



Absolutely guarantees the return at the end of twenty years of all annual deposits, with accumulated profits, after giving you insurance protection for twenty years.

Easily Understood:

1st. Deposits are made yearly. This is what you are SAVING, and at the end of 20 years the Canada Life GUARANTEES the return of every dollar paid in.

2nd. Your life is insured from the day you make the first deposit—for $5,000 or whatever amount you decide.

3rd. Profits are paid at stated intervals in addition to the return of all deposits at the end of 20 years.

4th. These profits may be used to reduce the amount of your yearly deposits or be allowed to accumulate at interest for 20 years.

5th. The cash value of Policy and Profits represents a valuable asset, useful in business, and your "estate" is protected by the insurance.

6th. At the end of Twenty years you can draw out all you have paid in along with profits—

— or —

you can draw a Special Cash Guarantee, together with the Accumulated Profits, making a substantial sum, and leave the $5,000 Policy fully paid for and continuing to earn Dividends as long as you live.

There are many other attractive features and privileges contained in the Policy, which may be of particular value to you.

Do Not Pass This By

Canada Life

Home Office
TORONTO
Canada

Canada Life Assurance Company
Dear Sirs—Without obligation on my part, you may send me particulars of your New Twenty-Year Capital Return Policy.
Name ....
Address ....
Born .... day of .... 19..

12

Bank Stocks

RECORDS show that the prices of Canadian Bank Stocks have declined steadily since 1910.

In view of the excellent position of the Banks as revealed by their 1922 reports, as well as the continued declaration of substantial dividends and bonuses, we feel that certain of these stocks are a very desirable investment at present prices.

Write our Stock Department for special circular No. 85 on Canadian Bank Stocks, or send us your orders to buy "at the market". We do not carry marginal accounts.

Æmilius Jarvis & Co. LIMITED
Established 1891

Ottawa, New York — 293 Bay St. Toronto — Montreal, London Eng.

Continental Bond Corporation, Limited

Government, Municipal and Corporation Bonds—Telephone Adelaide 3176, 3177.
120 BAY STREET - - - TORONTO, CANADA.
Col. J. A. Currie, M.P.P., J. McVittie, Vice-President.
H. W. Currie, B.A., Sec. Treas.

We can offer attractive bonds to yield from 5½% to 8%. Particulars upon request.

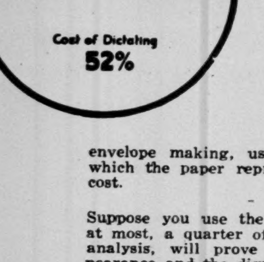
BUSINESS DOUBLED

The total assets under the management of The Toronto General Trusts Corporation has doubled in ten years—conclusive evidence of public confidence. This growth has been as follows:

1913	63,055,883.97
1914	67,421,090.93
1915	71,869,470.10
1916	77,180,513.62
1917	83,286,782.69
1918	90,832,629.80
1919	101,123,031.51
1920	113,762,324.18
1921	120,253,443.05
1922	129,097,041.42

We Solicit Your Business—Interviews and Correspondence Invited

THE TORONTO GENERAL TRUSTS CORPORATION
HEAD OFFICE - TORONTO
Branches: Ottawa, Winnipeg, Saskatoon, Vancouver.



How Much Does It Cost to Write a Business Letter?

Have you ever stopped to consider what a business letter costs?

Figuring the average executive's time, stenographer, office overhead, postage, printing and envelope making, using the best bond paper, it costs 29 cents—of which the paper represents half a cent—or 2 per cent. of the entire cost.

Suppose you use the cheapest bond paper on the market, you save, at most, a quarter of a cent a sheet—or 1 per cent. This in the last analysis, will prove very expensive economy because the good appearance and the dignity of your business stationery will be in doubt, and a poor looking letter head is your worst advertisement. For true economy, good appearance and unquestionable quality, specify.

SUPERFINE LINEN RECORD

a high grade, all-rag bond paper for all commercial purposes—for forty years the standard by which all good papers are judged.

MADE IN CANADA

The Rolland Paper Co., Limited
HIGH GRADE PAPER MAKERS SINCE 1882
MONTREAL - - CANADA

SHREDDED WHEAT EARNINGS

Total Shows Decline as Compared With Previous Year

Shredded Wheat experienced a decline in income during 1922 as compared with 1921. Nevertheless the net income of $1,523,557, compared with 1921 of $1,593,582, amounts to 15.2 per cent. on the company's stock. The balance sheet shows that the company is in a very strong working position. Current assets were $4,262,344, as against current liabilities of $491,686, leaving net working capital of $3,770,658.

The total assets were reduced from $13,478,986 to $13,023,349. A large proportion of investments held were turned into cash. Reserves totalled $835,134.

	1922	1921	1920
Gross	$2,088,441	$2,298,063	$1,094,533
Deprec.	176,132	160,911	130,162
Reserve	388,751	543,570	92,687
	564,883	704,481	222,849
Net. incm.	1,523,558	1,593,582	871,684
Bal. for.	2,181,845	1,450,763	1,354,078
	3,705,403	3,044,345	2,225,762
Dividends.	950,000	862,500	775,000
Goodwill.	1,000,000	......	......
	$1,755,403	$2,181,845	$1,450,762

A NEW EARNINGS RECORD FOR THE BELL TELEPHONE

Over 20 Per Cent. Increase in Gross and More in Net

Gross earnings with an increase of over 20 per cent. establish a new record for the Bell Telephone Company of Canada while an even greater increase in the percentage of net over 1921 marks the annual statement for last year. Operating expenses are shown at a decrease, with a large increase in gross business; current maintenance is also down substantially. Charges for depreciation and taxes, however, are shown at substantially higher figures, in view of which net earnings equivalent to 9.15 per cent. on the increased capital of the company as against the 8 per cent. dividend will doubtless be found encouraging to shareholders. A decided improvement is revealed as to working capital position.

Telephone revenues are shown at the record figure of $20,245,822, an increase of $1,683,993 over 1921. Operation expense at $9,495,098 is down $50,800. Current maintenance is down $628,301 to $3,201,020. The write-off for depreciation was $2,967,506, an increase of $417,791 over the previous year, while taxes amounted to $821,357, this being $226,357 greater than for 1921. The foregoing charges bring total telephone expenses to $16,484,982, as compared with $16,519,935, a decrease of $34,953.

This leaves net telephone earnings at $3,760,840, an increase of $1,718,947. Sundry net earnings of $208,471 were less by $26,055 than in 1921, bringing the total net earnings to $3,969,312, an increase of $1,692,891. Deduction of interest amounting to $1,035,644 (down $133,156), leaves a balance of $2,933,667 applicable to dividends, this being an increase of $1,826,047. The increase in the capital to $32,049,000 is reflected in the dividend requirements for the year, this item having been $2,457,740, an increase of $574,110. This deduction left a balance at credit of profit and loss of $475,927, as against a deficit of $776,009 the previous year, a net improvement of $1,251,937.

Earnings and Expenses

	1922	1921
Telephone rev.	$20,245,822	$18,561,829
Operation ex.	9,495,098	9,545,898
Curr. maint.	3,201,020	3,829,322
Depreciation	2,967,506	2,549,715
Taxes	821,357	595,000
Total tel. ex.	$16,484,982	$16,519,935
Net tel. earn.	3,760,840	2,041,893
Sund. net earn.	208,471	234,527
Total net earn.	3,969,312	2,276,420
Interest	1,035,644	1,168,800
Balance	2,933,668	1,107,620
Dividend	2,457,740	1,883,630
Balance	475,928	*776,009

*Deficit.

The balance sheet, giving effect to the sale of stock during the year, reveals a decided improvement in working capital position. Cash is shown at $1,208,279, an increase of $817,455. investments are up $1,600,175. Bills and accounts received, on the other hand, are of $341,239 to $1,269,559. Accounts payable are practically unchanged at $938,233. Telephone plant, etc., shows an expansion valued at $5,333,879, this item standing at $61,606,515. Surplus and reserves are up $1,737,660 at $24,239,060.

Parent Goodyear Co. Position is Improved

The parent company of the Goodyear of Canada, the Goodyear Tire and Rubber Co., was able to bring about quite an improvement in its financial position as a result of its 1922 operations, during which period the value of sales materially increased. Net sales for the year, exclusive of those by subsidiary companies, totalled $102,904,177, as compared with $94,328,803 in 1921. Total earnings before interest and other charges were $10,983,747. After deduction of interest, the net balance to surplus was $4,388,499. Total surplus on December 31 last was $8,008,542. Cash and marketable securities totalled $21,539,491. The ratio of current assets to current liabilities was almost 12 to 1. Neither the company nor its subsidiaries had any indebtedness to banks. The report points out that the company's plants at Akron, as well as the plants of the Canadian and California companies, have all been in heavy production throughout the present winter.

SECURITY LIFE ANNUAL

The Security Life had a premium income of $164,474 in 1922, as compared with $139,658 in 1921 and $112,648 in 1920. Other earnings for 1922 were $22,634, which added to premium on capital, $13,951, and other items, brought the total income to $227,721. This added to the surplus on hand, $364,550, brought the total to $593,270.

Death claims, taxes, re-insurance premiums, expenses of management, etc., amounted to $107,808, there remained net invested assets of $430,567. The interest actually earned during the year amounted to almost 7½ per cent. on the net invested assets. The balance sheets show total assets of $509,017 and surplus of assets over liabilities amounting to $104,472. The total insurance in force amounted to $6,410,826. During the year applications had been received for $2,450,050, and policies actually issued and revived amounted to $2,097,800.

AN HONEST MAN

This week the Ewing Spice Company of Montreal received a letter enclosing a check for $34.10. Back in 1910 one of the customers of the company got into financial difficulties and the Ewing firm agreed to accept 50% of their bill in full of account. The cheque this week was the balance of the account, long since wiped off the books. The letter thanked the company for their courtesy in helping out the merchant thirteen years ago.

Hydro Slush Fund Takes Thousands

The fact that $20,000 was spent on the recent Hydro radial campaign in Hamilton is receiving attention in that city. Likewise large sums were expended in Toronto and other cities and towns. The Hamilton Herald says:

"It is not surprising to learn that $20,000 was spent in Hydro-radial propaganda in Hamilton during the recent campaign here. Where the money came from is a question which seems to be disturbing the minds of some curious persons. The Herald has already pointed out that the Ontario Hydro-electric commission has the legal right to spend as much money as it pleases for anything which it considers to be for the welfare of the Hydro system. That should not be the law; but it is."

The Hydro slush fund is nothing new. The FINANCIAL POST has frequently called attention to the fact that large sums are being constantly spent on regular Hydro propaganda in addition to special campaigns. Even the delegates to the meetings of the municipal associations share in the contributions—which probably accounts for both large attendances and enthusiastic response to the exhortations of the Beck tub-thumpers. And of course the expenses are either charged up in the rates to Hydro consumers or allowed to swell the deficits for which the province as a whole is responsible.

PROVINCIAL PAPER MAINTAINS EARNINGS

Annual Report Shows 10½ Per Cent. on Common for 1923

Provincial Paper profits were slightly in excess of 1921, according to the annual statement, the figures being $729,261 for 1922; $728,775 for 1921. Interest and dividends received were $34,700, making a total return for the year of $763,961, as compared with a 1921 gross of $761,395 for 1921.

These figures reveal the fact that despite unsettled conditions, the company had a good year. Lower grades of paper made up the bulk of the orders of the year. The profit on these grades was low, but the orders kept the plant going full time throughout the year.

Net earnings were brought to a lower level than usual because of the additional interest on the $600,000 indebtedness incurred by the construction of the new mill at Port Arthur. This plant is expected to be in operation next month and should add materially to 1923 earnings. The indebtedness incurred in this connection was by the issue of $600,000, six per cent. bonds and also the disposal of $393,000 in Victory bonds. The working capital was thus reduced by $500,000.

During the year common dividends at the rate of 6 per cent. with a bonus of 1 per cent. were paid, calling for the distribution of $245,000. Preferred dividends called for the distribution of $119,000 and after other charges were met, the amount available for the common stock, $369,173, was equal to 10½ per cent. on the $3,500,000 stock outstanding.

The profit and loss account:

	1922	1921
Profits	$729,261	$728,775
Int. and Div. rec.	34,700	32,620
Total income	763,960	761,395
Interest	55,787	33,550
Net earnings	708,173	727,045
Res. for dep.	150,000	150,900
Res. for tax, etc.	70,000	60,000
Pref. div.	119,000	119,000
	339,000	329,000
Applicable to com.	369,173	398,345
Com. div. & bonus	245,000	245,000
Surplus	$124,173	$153,845

Total assets are up from $7,611,569 to $8,662,519. Liquid assets are carried at $2,113,525 as compared with $2,305,160. Increases are shown in cash on hand, at $292,358, as against $158,926, and bills receivable at $75,776. Inventories at $1,017,245 compare with $861,382, and current liabilities at $780,890, as against $476,160. Net working capital at $1,332,636 compares with $1,829,000. Fixed assets at $6,548,994 are up, approximately, $1,200,000, and embrace the new Port Arthur plant.

DRYDEN PAPER

Dryden Paper Company hopes to have additional power plant and paper making equipment in operation in the course of a few weeks when it may be able to improve its earning position considerably. Dryden has been operating on an unsatisfactory basis, chiefly because of the very poor market for sulphate pulp, its chief product. Scandinavian pulp has been competing in the United States market.

Earnings of the Canadian Pacific Railway for the week ending February 7, amounted to $2,691,000, a decrease of $58,000 from the earnings for the corresponding week last year.

TENDERS WANTED

Debentures for Sale.

The School Commissioners of the CITY OF HULL

Public notice is hereby given that the School Commissioners of the City of Hull will receive from now up to the 20th February, 1923, at 4 o'clock p.m., at the office of the undersigned, written tenders for the purchase of debentures of the said Commissioners of the City of Hull amounting to $100,000.00 issued under a resolution adopted May 16th, 1922.

The said debentures of the par value of five hundred and one thousand dollars each are payable the 1st day of July, 1952, and bear interest at the rate of 5½ per cent. per annum, payable half-yearly on the 1st day of July and January in each year at the office of the Secretary-Treasurer of the School Commissioners of the City of Hull.

All tenders shall be under seal marked "Tender for Bonds" addressed to the Secretary-Treasurer of the School Commissioners of the City of Hull, and must specify whether the price offered does or does not include the interest accrued on said bonds at the time of delivery.

Every tender must be accompanied by a certified cheque equal to one per cent. of the par value of the issue.

All the information will be furnished on application.

The School Commissioners of the City of Hull do not bind themselves to accept any tender.

Given at Hull this 1st day of February, 1923.

JOS. PROVOST,
Secretary-Treasurer,
Hotel-de-Ville St., Hull, Que.

DEBENTURES FOR SALE
Town of New Toronto

Sealed tenders, addressed to the undersigned, will be received up to 12 noon, February 28, 1923, for the purchase of the following bonds:

Amount	Years	Rate	Purposes
$13,000	15	6%	Waterworks
$36,000	20	6%	School

Above issues approved of by E. G. Long, K.C. Debentures ready for immediate delivery. Interest and principal payable Canadian Bank of Commerce. Instalment bonds $1,000 and odd amounts.

Highest or any tender not necessarily accepted.

W. E. DAVISON,
Treasurer.

Town of New Toronto.

The Shawinigan Water and Power Company

NOTICE is hereby given that at a meeting of the Board of Directors of The Shawinigan Water & Power Company held on January 26th, 1923, it was resolved that ten thousand (10,000) fully paid common shares of the Capital Stock of St. Maurice Power Company, Limited, of the par value of one hundred dollars ($100.00), the property of The Shawinigan Water & Power Company, be distributed to the shareholders of this Company in the proportion of one fully paid common share of St. Maurice Power Company, Limited, to each twenty shares of the Common Stock of this Company. Such shares of the St. Maurice Power Company, Limited (or certificates covering fractions thereof, as the case may be) are deliverable on the 1st day of March, to shareholders of record at the close of business 20th February, 1923.

All fractional shares of the St. Maurice Power Company, Limited must be adjusted by the purchase or sale of other fractional shares on or before the 31st day of May, 1923, and fractional certificates aggregating one or more complete shares must be surrendered to Montreal Trust Company, Montreal, or at their office, 2 Bank Buildings, Princes Street, London, E.C. 2, England, to be exchanged for certificates covering one or more complete shares.

BY ORDER OF THE BOARD
Jas. Wilson,
Secretary.

Montreal, Feb. 6, 1923.

Mexico Tramways Company

General Consolidated First Mortgage 50-year 5% Gold Bonds

NOTICE IS HEREBY GIVEN that on and after 1st March, 1923, Coupon No. 20, dated 1st September, 1916, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the agency of the Bank of Montreal, New York, N.Y., at the holder's option.

Dated at Toronto this 15th day of February, 1923.

MEXICO TRAMWAYS COMPANY
R. H. MERRY, Secretary.

Canadian Pacific Railway Company

DIVIDEND NOTICE

At a meeting of the Board of Directors held to-day the following dividends were declared:—

On the Preference Stock, two per cent., for the half-year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, being at the rate of seven per cent. per annum and in addition three per cent. per annum from Special Income Account.

Both dividends are payable 31st March next to stockholders of record at three p.m. on 1st March next.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 12th February, 1923.

FIRE LOSSES HEAVY

January fire losses in the United States and Canada would indicate fire insurance companies are starting off 1923 with losses almost on a par with the severe burning record of 1922. The total for the two countries is placed at $36,614,850 for January. The 1922 total was $38,663,000, while the last month of 1922 saw a loss of $47,426,000. Fire losses in 1922 were so severe that practically all insurance companies lost money.

The Royal Bank of Canada

DIVIDEND NO. 142

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Thursday the first day of March next, to shareholders of record at the close of business on the 15th day of February.

By order of the Board.
C. E. NEILL,
General Manager.

Montreal, Que., January 16, 1923.

THE CANADIAN BANK OF COMMERCE
DIVIDEND NO. 144

Notice is hereby given that a dividend of three per cent upon the paid-up capital stock of this bank has been declared for the quarter ending 28th February, 1923, payable at the bank and its branches, on and after Thursday, 1st March next, to shareholders of record at the close of business on the 13th day of February, 1923.

By Order of the Board,
JOHN AIRD,
General Manager.

Toronto, 19th January, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Thursday, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1923.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th January, 1923.

Belding Corticelli Limited

DIVIDEND No. 33

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Dividend of 1¾% payable on the 15th of March to shareholders of record at the close of business the 1st day of March, 1923.

By order of the Board.
D. R. KENNEDY,
Secretary-Treasurer.

Imperial Oil, Limited
Dividend

NOTICE is hereby given that a Dividend of seventy-five cents (75c) per share, and an extra disbursement of one dollar ($1.00) per share, making a total distribution of one dollar and seventy-five cents ($1.75) per share, has been declared by the Directors of IMPERIAL OIL LIMITED, and that the same will be payable in respect of shares specified in any Share Warrant of the Company, within three days after the Coupon Serial Number Fifteen of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario,
or at the office of:
Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario.

such presentation and delivery to be made on or after the first day of March, 1923.

Payment to Shareholders of record and fully paid up at the close of business on the 12th day of February, 1923, (and whose shares are represented by Share Certificates) will be made on or after the 1st day of March, 1923.

The books of the Company for the transfer of shares will be closed from the close of business on the 12th day of February, 1923, to the close of business on the 1st day of March, 1923.

By Order of the Board.
E. V. A. KENNEDY,
Secretary.

56 Church Street,
Toronto, Ontario.
February 6th, 1923.

AGITATORS HAVE UNSETTLED THE WHEAT MARKETS

Have Encouraged Holding For Higher Prices In Spring

DUNNING'S POSITION

Statement Indicates He Does Not Favor Compulsory Wheat Board

From Our Own Correspondent.

REGINA.—The position of the Saskatchewan government with respect to wheat board legislation for 1923 is definitely out. No time was lost by Premier Dunning in making the announcement and on the day the legislature opened the text of the resolution to be brought before the house was given out. It involves three principal proposals:

"Notice is hereby given that the Dominion Ticket and Financial Corporation has been compelled to close its doors by reason of unexpected demands made upon it during the last few days. An assignment under the Bankruptcy Act has been executed and the doors will remain closed until further announcement is made by the trustees."

Mr. Dunning's announcement, prompt and complete as it is, anticipates politically inspired moves from the opposition in the same direction and is designed to satisfy the clamor from country districts, demanding the re-establishment of the board.

That Mr. Dunning and his associates in the government are not convinced of the soundness of the national marketing plan, is quite evident from the expressed intention to help in evolving some "permanent, non-compulsory" method of selling farm products.

The Saskatchewan Premier, in the preamble of his resolution, refers to the necessity of close co-operation between the governments of the three prairie provinces in any contemplated legislation or other move in this respect—the marketing of grain. He intimates that a national selling plan which involves compulsion and federal control, is not feasible as a permanent measure—that must rest with the farmers themselves to work out through their own organizations and by their own efforts.

This is Mr. Dunning's true position: He has never been an advocate for the Wheat Board and his consent to temporarily implement it was only secured because of the widespread demand from the farmers. His reluctance, combined with the mischievous activities of Progressive agitators among the agrarian population, lashed the horny-handed electors into a near frenzy; they wanted the Wheat Board or nothing.

Now it is probable that for years the prairie grain-growing interests of the prairie provinces will once again have a government—controlled marketing agency—that is if suitable men can be secured to manage it. The higher-ups among the Progressives do not appear to be anxious for the job, though several are fairly well qualified for it. H. W. Wood, the irreconcilable disciple of class principles, turned the position down last fall when it was offered to him. Acceptance would have given Western farmers a wheat board in 1922. This year he is as rabid as ever in his advocacy of the plan to his Alberta followers.

But whether the wheat board is established or not this year, with its certainty of detriment to the vast bulk of the people of Canada, one thing is obvious. The political piffle which has been circulated among western farmers by the farmers' leaders in connection with marketing, has done incalculable harm.

Propaganda published in favor of the wheat board stressed the fact that grain prices were "always higher" in the spring than in the autumn. With a well-financed marketing plan, it was pointed out, the producer could benefit by holding his grain.

What has been the result?

1. Passage of an order-in-council extending the operation of the Canada Wheat Board Act for one year, from August 15, 1922.

2. Indication to the government of Manitoba, its intention to extend such powers.

3. Indication to the government of Manitoba that Saskatchewan is ready and willing to co-operate with the Bracken ministry in envolving a co-operative method of marketing grain, which will be permanent and non-compulsory, similar to the type of organization outlined by the Manitoba Premier.

In the west to-day there are probably a hundred million bushels of wheat being held by the farmers in expectation of higher prices; at the eastern terminals there must be fully fifty million bushels more unsold.

Though there appears to be a complete stagnation in the export market, and though prices remain at quite a respectable level, the farmers do not appear to show any disposition of letting go. It is a dangerous situation and one likely to result in much lower prices for the surplus carry-over from the crop season of 1922.

Another undesirable feature of the case is that banks and other financial institutions which have made advances against grain now in farmers' hands, find it impossible to collect. Ergo, credit remains less liquid than it should be and other business suffers in consequence from the crippled buying power of those who are gambling by holding their grain.

Copenhagen dispatch says group of American brewers will invest 20,000,000 kroner in construction of brewery there with capacity of 500,000 bottles of Danish beer daily.

All Classes Affected by Proposed Wheat Board

Declaring that other classes in the community must not allow themselves to miss the seriousness of the renewed attempt to put into effect a compulsory wheat board, the Grain Trade News, Winnipeg, continues:

The idea that the action will effect only the wheat trade, which is a small trade, is a delusion. Certain fundamental principles and methods are involved.

In the first place, there is the proposed application of compulsion, and if compulsion is accepted as right in the case of any one kind of business and is applicable to any one class, no other class or line of business has any defence to offer against its extension to them.

Then there is the principle of monopoly, which neither Canada nor any other advanced nation in modern times has been prepared to endorse. If monopoly is deliberately installed in one place it cannot be rooted out in any other places.

Again, there is the avowed intention merely of conducting a practical experiment for one year with these powerful and dangerous forces of compulsion and monopoly, and the avowed purpose is to establish something entirely different, no matter how the experiment turns out. It is almost unbelievable that any men in responsible positions should entertain such intentions, and no class in Canada and no business can consent to the policy of experimentation under such conditions with the fundamental elements of organized industry and social life.

And They Said He Wasn't Needed

By FRED C. KELLY,
In Collier's Weekly.

If a man wants a certain job and there isn't any such job, or the place isn't open and the best he receives is assurance of having his application placed on file—

What I started to say was that if a man feels discouraged about getting the job he wants, let him take cheer from what happened to Leonard Porter Ayres, hero of an astonishing experiment in the neglected field of **being useful where not needed.**

Ayres is a statistician. Indeed, as vice-president of the Cleveland Trust Company, he is probably the highest salaried statistician in the world. His greatest fame, as a statistician, however, grew out of our fuss with Germany. In 1917, when this country went to war, Ayres, a mild-mannered little blond man, director of the educational division of the Russell Sage Foundation, reasoned something like this:

"Here's going to be the biggest doings the world ever saw, and I want to be in on 'em. Surely there must be a tremendous opportunity in a big war like this for a man of my trade. I'm going to be a war statistician."

The Title Came in Handy

The next day he was in Washington humbly lurking about first one war office and then another waiting for young college boys and others who had become captains, majors, or dollar-a-year men, to listen to his offers of assistance. Without a single dissenting vote everybody expressed the opinion that a statistician was the very thing that they needed everything else but.

Ayres' ambition seemed particularly hopeless because of his lack of commanding personality. He couldn't jimmy his way into the councils of the mighty on his looks. Even at that time he had already achieved more distinction than comes to most people, but not in a spectacular way, and there is nothing about his appearance to make one realize that he is anybody in particular. A meek-looking undersized chap is Ayres, with innocent blue eyes. You might take him for a restaurant cashier or possibly for an assistant bookkeeper in a small harness and feed store. Small wonder he didn't make much impression on the unimaginative men with whom he mostly had to deal.

Being told that they didn't need a statistician made not the slightest impression on Leonard Ayres, for **he** knew that they **did**. He went right ahead with the plans to land the job he desired.

"If you don't need a statistician," he asked one of the head men in the Council of National Defence, "just what **do** you need?"

"Oh, for one thing," he was told, "I need a smart young fellow just to help around."

"And what would you have such a fellow do?"

"To begin with, I'd have him prepare a chart of the entire organization here. Yet to prepare such a chart is well-nigh impossible, because the organization changes from day to day. It has to be an elastic chart and that's a hard thing to make."

"Well, I'm a smart young fellow," confided Ayres, "and I'll bring you in your chart to-morrow."

Without wasting a minute he dashed out to buy large sheets of cardboard, pins with different colored heads, and a roll or two of narrow tape. By using tape that could be extended or shortened at will, instead of inked lines, and little cards and colored pins, Ayres arranged a wonderfully ingenious organization chart. The most interesting thing about the whole chart, Ayres thought, was a little card on which was neatly lettered:

Division of Statistics, Dr. Ayres.

Thus was born the division of statistics. Ayres had long possessed a degree of doctor of philosophy, but this was the first time he had felt that the doctor title might be of any practical use. With a war on, and titles rife, many who might pay no heed to **Mr. Ayres** might take seriously **Dr. Ayres.**

He Told Pershing

The next day somebody noticed that there was a division of statistics and sent back an inquiry involving a tedious investigation that nobody else seemed keen about undertaking. Ayres bustled about and got the desired information. Other inquiries came, about the extent of certain phases of preparation and Ayres discovered the basic principle of gathering information.

Before long Ayres had collected more information about our state of preparation than was possessed by anybody else. He prepared a highly confidential report twice each week and made four copies of it which he personally ground out on an old clattering typewriter. These four copies were sent to the Director of the Council of National Defense, the Chief of Staff of the Army, the Secretary of War, and the War Industries Board. Now, sometimes a thing doesn't need to be very good so long as it is better than may be obtained elsewhere.

Ayres' reports were not as elaborate as might have been desired; but they were better than anybody else had. Consequently they were impressive and useful. Soon he was besieged to prepare all sorts of statistical tables and to organize the Statistical Division of the General Staff of the Army. The General Staff decided that his work was of too confidential a nature to be performed by a civilian and that he must be in uniform, subject to military control.

General Pershing had become so impressed with Ayres' statistical charts of the progress of the war that he kept cabling for more information from him and finally ordered him to come to France as chief statistical officer of the American Expeditionary Forces. After the armistice, Ayres became chief statistical officer of the American Commission to Negotiate Peace. He was decorated with a Distinguished Service Medal. One incidental job was the preparation of a book, "The War with Germany," which shows in brief space by graphs and charts exactly what America did in the war and shows it more clearly than any other book that has been written.

Considering the humble manner in which Ayres was obliged to pry his way into the war, without any running start, when they all told him they didn't need a statistician, I submit that his war record isn't half bad.

Why He Simplified the Speller

Ayres was famous in a way before the war started—though news of his achievements had never reached any of the men to whom he applied for a chance to take off his coat and go to work.

To begin with, after being a theatre scene shifter, he attained fame, back in the late 90's, as a professional bicycle rider. He could show either speed or fancy stunts. One day, in a driving rainstorm, he did so many miles that if I were to tell you just how far he rode, you would put Ayres and me each down for a liar. With no motive other than the search for adventure he drifted down to Porto Rico and got a job teaching school. In 1902 he was just an ordinary 6⅞ teacher; four years later he was general superintendent of schools in Porto Rico. You see, even in those days, Ayres was a terribly difficult little fellow to keep down.

From Porto Rico Ayres went to New York to become educational director of the Russel Sage Foundation, and it was there that he performed a feat which revolutionized the teaching of spelling. It occurred to him that if a youngster in school studied words that he would often use in after years, instead of words that were merely difficult and seldom encountered, the information thus gained might eventually come in handy. He learned that 10 per cent. of all the words we write are repetitions of **the** and **and**; nine common words make up one-fourth of all we use and nine-tenths of all the words ordinarily employed by an average individual may be found in a list of one thousand. Every spelling book published since Ayres' investigation has its contents based on which words are most needed instead of which are most difficult.

Ayres' monograph, "Laggards in Our Schools," in which he showed that the average youngster left school without completing even the sixth grade, started an uproar in the educational world. Few would believe that conditions were as bad as Ayres' calm, cold figures indicated. But the result of the controversy was that during the ten years following, some five million more children in the United States completed the grammar grades than would have done so under the old conditions.

Two or three years ago Ayres went from the Russell Sage Foundation to become vice-president of the Cleveland Trust Company and shifted his statistical talents from education to economics.

One of his economic studies contains charts, one showing the weather in a city, picked at random, during four years, and another showing the rise and fall of prices of industrial stocks. The astonishing feature of these two charts is that they look almost identical. Yet the weather in one city could have had no influence on the price of stocks: Ayres' point was simply that what is true of weather is also true of the stock market. On the hottest day in several years, one may be reasonably certain that within a few hours the temperature will be lower. Likewise, on a record-breaking cold day, one may soon expect it to be warmer. Similarly, when stocks are the highest or lowest they have been in years, it is logical to expect a movement in the opposite direction. Many investors are fooled by stocks when an exceptionally high or low point is reached.

Ayres was the only man in the United States, as far as I know, who foresaw the record-breaking year that the automobile industry was to enjoy, beginning in 1921. His method of arriving at the facts was startlingly simple. He found out first what is the least a man can earn and keep a car. Then he found out how many persons in the country earn that much or more. This, and the reduced prices of cars, served as the basis of the calculations.

No statistical job is too big or too trivial for Ayres to tackle. He once made a study of the relations between band music and the speed of six-day bicycle racers.

Early in February, 1922, after a study of price movements in the past, Ayres predicted that bonds would reach their maximum price some time in the following September. Now, it is one thing to make a prediction and whisper it quietly to one or two friends, but Ayres had such confidence in his figures that he put his prediction into type and made it public. Bonds did reach their highest price on September 15. Imagine the value to a bank and its customers of having such information in advance.

Three years ago the world of finance was entirely new to Ayres. Consequently he was able to study price trends with an open mind and to reduce his facts to their simplest terms. One of his most astonishing discoveries is that there is available for any small investor a fairly dependable barometer of what may be expected in the stock market. This barometer is the interest rate on short-time loans by banks—sixty- and ninety-day money loaned to business men. When the interest rate for such loans is higher than the interest rate on bonds, stock prices may be expected to drop. At the time of this writing the rate for short-time loans in New York is 4¾ per cent. When this reaches the level of the rate on industrial long-time bonds, the cost of doing business will be so high that profits will be reduced. When profits are reduced dividends drop and stock prices naturally drop also. Anyone may use this barometer profitably to figure out when to dispose of his stock holdings.

Another study was of the relative wearing qualities of four fifty-cent neckties against one at $2; also, how a pair of $10 shoes wear in comparison with two pairs of $5 shoes. Whenever he goes to a public meeting he follows a habit of timing each speaker and figuring out how many minutes of talk were required for each idea.

The best time for grabbing bright ideas as they flit through space, Ayres finds, is just before he gets out of bed in the morning and while shaving.

He is likely to sit at breakfast even with his best friends and mull over something that has just occurred to him, uttering never a word. Much of his work he does at night—between 8 p.m. and 2 a.m. He is as hard to get to bed or out of bed as a boy. When working or reading he smokes large black cigars—many of them. At bedtime in a friend's home he happened to pick up a book that interested him. An onlooker might have seen him place six cigars, efficiently, in a neat row beside him where he could reach them with the minimum of effort. He was fixed for the night.

Being a clear thinker, Ayres writes wonderfully clean copy—not clean in the sense of being merely moral, but of having scarcely any corrections or erasures. He's a bachelor and his living quarters are always as neat and orderly as his copy.

THE BELL TELEPHONE COMPANY OF CANADA

COMPARATIVE STATEMENT OF EARNINGS AND EXPENSES FOR THE YEARS 1921 and 1922

	1921	1922	Increase
Telephone Revenues	$18,561,829.01	$20,245,822.92	$1,683,993.91
Operation Expense	$ 9,545,898.72	$ 9,495,098.14	$ 50,800.58*
Current Maintenance	3,829,322.09	3,201,020.86	628,301.23*
Depreciation	2,549,715.00	2,967,506.00	417,791.00
Taxes	595,000.00	821,357.64	226,357.64
Total Telephone Expenses	$16,519,935.81	$16,484,982.64	$ 34,953.17*
Net Telephone Earnings	$ 2,041,893.20	$ 3,760,840.28	$1,718,947.08
Sundry Net Earnings	$ 234,527.56	$ 208,471.87	$ 26,055.69*
Total Net Earnings	2,276,420.76	3,969,312.15	1,692,891.39
Deduct Interest	$ 1,168,800.38	$ 1,035,644.28	$ 133,156.10*
Balance	1,107,620.38	2,933,667.87	1,826,047.49
Deduct Dividends 8%	$ 1,883,630.00	$ 2,457,740.00	$ 574,110.00
Balance Carried to Surplus	Debit $ 776,009.62	$ 475,927.87	$1,251,937.49

*—Decrease

ASSETS

	December 31, 1921	December 31, 1922	Increase
Real Estate	$ 5,249,272.46	$ 5,404,258.41	$ 154,985.95
Telephone Plant, etc.	56,272,635.99	61,606,515.97	5,333,879.98
Furniture, Tools and Supplies	2,050,303.52	2,411,603.80	361,300.28
Cash	390,823.94	1,208,279.40	817,455.46
Bills and Accounts Receivable	1,610,798.83	1,269,559.31	341,239.52*
Prepaid Expenses	211,209.68	118,948.01	92,261.67*
Unamortized Bond Discount	231,840.59	160,505.03	71,335.56*
Investments	2,767,757.45	4,367,932.45	1,600,175.00
	$68,784,642.46	$76,547,602.38	$7,762,959.92

LIABILITIES

	December 31, 1921	December 31, 1922	Increase
Capital Stock Issued	$26,818,000.00	$32,049,000.00	$5,231,000.00
Bonds 1925 (5% $11,250,000) (7% 5,500,000)	16,750,000.00	16,750,000.00	....
Accounts Payable	936,656.11	938,233.29	1,577.18
Accrued Liabilities not due	1,258,472.38	1,483,021.55	224,549.17
Unearned Revenue	20,114.20	19,037.46	1,076.74*
Prepaid Stock Subscriptions	....	569,250.00	569,250.00
Employees' Benefit Fund	500,000.00	500,000.00	....
Surplus and Reserves	22,501,399.77	24,239,060.08	1,737,660.31
	$68,784,642.46	$76,547,602.38	$7,762,959.92

*—Decrease.

DIRECTORS' REPORT

During the year gross additions to the plant amounted to $8,175,976 for new construction and general equipment in order to provide increased facilities or to replace worn out or inadequate equipment. The main items were:

Land and Buildings	$ 163,763
Central Office Apparatus and Subscribers' Telephones	4,030,206
Exchange and Toll Lines	3,614,635

The installation at new locations in 1922 of 123,032 services, with a net gain for the year of close upon 34,000 telephones, indicates the extraordinary activity of your construction and installation forces. This increase is particularly noteworthy when we recall that during the first five months of the year, due both to lack of new capital and the great difficulty in procuring apparatus and material, very little progress could be made.

To distribute more widely the ownership of shares is not only to strengthen the financial foundations of your Company and to create better relationships, but to encourage the habit of thrift and a broader knowledge of investment.

During the year the number of shareholders increased to 8,339—a gain of over 87 per cent. They now number over 9,400.

The Capital Stock increased during the year from $26,818,000 to $32,049,000—or by $5,231,000. Of this additional stock, $5,000,000 was disposed of through a syndicate of bond dealers, one of the conditions of the sale being that a special effort should be made to secure widespread distribution. Twenty-six thousand eight hundred dollars of the balance was issued to the North Huron Telephone Company in payment for their plant and undertaking, and the remainder to employees under the first stock purchase plan for employees.

The proceeds of this issue are being converted as speedily as possible into revenue-earning plant.

On the 17th of November your Directors, acting under the powers conferred upon them by the shareholders, offered to each shareholder of record at the close of business on Thursday, the 30th of November, one share of new stock at par for each five shares of stock then held.

Option was given to pay for this stock in full, or in quarterly payments of $25 per share.

The offering was highly successful, practically the whole of the $6,408,000 being subscribed. Ninety-five per cent. of the subscriptions were paid in full. This issue has resulted in a further gain of 460 shareholders.

Efforts toward the promotion of employees' welfare have taken many forms. One of the most beneficial from all viewpoints has been the encouragement of thrift and saving.

The plan under which, in 1920, we offered our employees an opportunity to purchase stock by deductions from wages has been brought to a conclusion. The final deductions were made in the December payroll. The result was entirely satisfactory. Over twenty-two hundred employees took advantage of the opportunity afforded them, subscribing for 8,500 shares of

A further stock-offering to employees was authorized and announced on the first of May last. There followed immediate subscriptions from 3,868 employees for $1,189,300 of stock. On the 31st of December the number of employees subscribing under this plan was 4,318 and the par value of the shares being paid for by regular deductions from wages is $1,414,800.

The advantages, especially to a public service organization, of such a substantial body of employees becoming partners in the business, are self-evident.

During the winter of 1921-22, sleet storms did record damage to our lines and service. Outlays totalling $1,199,189 were necessary to effect repairs, and there was a revenue loss estimated at $65,000. Cost of these repairs was met out of the reserve set aside for the purpose, and is not reflected in the expense statement for the year.

Such experiences emphasize the wisdom of our practice of setting aside monthly out of revenue such an amount as will take care of storm damage as above, as well as the original cost of plant taken out of service through wear and tear, obsolescence, and inadequacy due to the constant expansion of the system.

A gratifying feature of the Company's operations is the harmonious relations with connecting companies, serving for the most part rural communities. We have arrangements for interchange of business with 784 such companies, serving 119,821 subscribers. During the past year we have held at convenient points throughout our territory a series of conferences with officials, representatives and employees of these connecting systems, at which helpful discussion of the problems of administration, operating methods, maintenance and construction served to bring us all into closer co-operation.

The actuarial report of the Employees' Benefit Fund, which was undertaken in 1921, has been completed and acted upon by the Board.

Our employees in the field, aided by moderate but persistent publicity, have carried on a vigorous canvass for the building up of Long Distance business. By close and intelligent studies of the business of our patrons—their products, their markets, their selling methods, the adequacy or otherwise of their telephone equipment—we have been able to plan with them extensive Long Distance telephone selling campaigns. The result has been not only added revenue both for them and for this Company, but a new conception of the value of the telephone as an economical and efficient sales agent. Indeed, in this field it is apparent that the full possibilities of the telephone have not yet been realized. As our representatives develop our sales programme, our Long Distance revenues should show steady and substantial growth.

On the principle that an informed public can be relied upon to be sympathetic and helpful in seconding our efforts to provide an adequate and satisfactory service, we have endeavoured to persistently tell our story—through the press, by lectures and public demonstrations, and by inviting the public, subscribers, and shareholders to visit our central offices. The result has been wide-spread appreciation of the problems of modern telephone development and a growing co-operation with our employees in the everyday work of giving telephone service.

It is a pleasure again to record our appreciation of the splendid work of the entire staff. The creditable showing during the year was due to the hearty co-operation of employees in making effective the economies and the intensive plans of development that have been carried out.

THE BELL TELEPHONE COMPANY OF CANADA — LONG DISTANCE TELEPHONE

Canada Cement Company Limited

Annual Report of the Board of Directors

TO THE SHAREHOLDERS: Your Directors beg to present the Thirteenth Annual Statement of affairs and financial position of your Company as at December 31st, 1922.

In the Balance Sheet presented herewith, all accounts due, including Government, Municipal and other taxes, have been paid. Those not due have been taken into the statement as a liability, and provision has been made for payment of the Dominion Government Income Tax for the year 1922.

You will notice a new item in the Balance Sheet, namely: Mortgage on Canada Cement Company Building, $900,000.00. This mortgage was placed notwithstanding your Company's strong liquid position, and the fact that it has a surplus of current assets and investments over current liabilities of $6,011,862.71, of which $2,289,430.13 is in bonds and $1,216,276.99 in cash. Your Directors feel that your Company should maintain its liquid position in order to carry it through any period of lessened earnings, whether brought about by trade depressions or other causes.

Fire Insurance Reserve now amounts to $1,459,545.28, which reserve has accumulated by operations being charged a proper amount each month for insurance and freedom from serious fires.

Your Company now receives a large income from rents, investments and sources not directly connected with the Cement business proper.

The volume of business during 1922 was not satisfactory, the total consumption of cement being much less than Canada's normal consumption. Canada in 1922 consumed 38% less cement than in 1913, the year prior to the outbreak of the War; the present consumption in Canada being about 50% of the producing capacity of your mills. The Province of Quebec in 1922 consumed 33% less cement than in 1913, the present consumption in the Province being only 30% of the producing capacity of your three mills situated in the Province of Quebec.

The new Office Building referred to in the last Annual Report has been completed, and, existing conditions considered, is being rented fairly well. Your Directors are satisfied that this Building has not only stimulated the use of cement in high class buildings, but will, as expected, prove to be a profitable investment.

Your export business, thanks to the quality of "Canada Cement," has made steady if not rapid progress, and the quality of your product and the package in which it is shipped have enabled us to sell in markets which adverse freight rates would otherwise have closed to us.

Your Plants have all been maintained in a high state of efficiency, and your Directors are pleased to be able to report that the efficiency of the employees and organization as a whole was better last year than any preceding year. This, we think, contributed in a great measure to the earnings of your Company.

Considering the light demand, and the fact that there are five other companies producing cement in Canada, your Directors hope you will consider the results of the year's business as satisfactory as could be expected.

In accordance with the established policy of your Company to reduce the selling price of its product whenever costs permit, we made a reduction in the selling price of cement on January 1st, 1923, and hope that an increased volume of business and further improvements in costs will enable us to make further reductions in our sales prices.

We expect business in 1923 will show an improvement over 1922, but we do not see anything to indicate that we should look for a very large increase. However, we do feel that the corner has been turned, and each year there should be a steady improvement until Canada gets back to at least her normal consumption of cement.

All of which is respectfully submitted,
On behalf of the Board of Directors,

F. P. JONES, President.

ASSETS

PROPERTY ACCOUNT:		
Land, Buildings, Plant, Equipment, etc., at original cost with subsequent additions, less depreciation to date, the provisions for depreciation for the year 1922 having aggregated $1,679,928.97		$27,841,760.74
INVESTMENTS:		
Bonds	$ 2,289,430.13	
Stock held in, and loans to Other Companies	1,331,517.57	
		3,620,947.70
CURRENT ASSETS:		
Inventories	$ 2,392,393.95	
Accounts Receivable (less Bad Debt Reserve)	579,316.14	
Bills Receivable	17,692.22	
Deposit on Tenders	83,884.75	
Cash	1,216,276.99	
		4,289,564.05
DEFERRED CHARGES TO OPERATIONS		57,290.22
		$35,809,562.71

LIABILITIES

CAPITAL STOCK:				
Authorized:				
Preference—110,000 Shares 7% Cumulative of $100.00 each			$11,000,000.00	
Ordinary— 190,000 Shares of $100.00 each			19,000,000.00	
			$30,000,000.00	
Issued:				
Preference—105,000 Shares 7% Cumulative of $100.00 each			$10,500,000.00	
Ordinary— 135,000 Shares of $100.00 each			13,500,000.00	
				$24,000,000.00
FIRST MORTGAGE SIX PER CENT. TWENTY YEAR GOLD BONDS:				
Authorized and Issued			$8,000,000.00	
Less: Redeemed through Sinking Fund			2,202,546.54	
				5,797,453.46
MORTGAGE ON CANADA CEMENT COMPANY BUILDING				900,000.00
CURRENT LIABILITIES:				
Accounts Payable			$1,425,437.23	
Bond Interest Accrued at December 31, 1922			86,961.81	
Preferred Dividend No. 52 payable February 16, 1923			183,750.00	
Ordinary Dividend No. 27 paid January 16, 1923			202,500.00	
				1,898,649.04
RESERVES:				
Fire Insurance			$1,459,545.28	
Extraordinary Repairs and Renewals			360,000.00	
Cotton Sacks Outstanding			150,000.00	
Industrial Accidents			65,500.00	
Contingent Reserve (a portion of which is available for Government Taxes)			525,256.32	
				2,560,301.60
SURPLUS:				
Balance at December 31, 1921			$ 614,040.08	
Income from Operations and Investments for year 1922, after making provisions for Depreciation		$2,403,101.20		
Deduct:				
Bond Interest	$360,250.41			
Fire Ins. (Transfer to Reserve Acct)	148,732.26			
Contingent Reserve	275,000.00			
Res. for Ext'rdinary Rep'rs & R'new'ls	35,000.00			
		818,982.67		
Deduct:		$1,584,118.53		
Dividends—				
On Preferred Stock	$735,000.00			
On Ordinary Stock	810,000.00			
		1,545,000.00		
			39,118.53	
				653,158.61
				$35,809,562.71

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of the Canada Cement Company Limited for the year ending December 31st, 1922, and have obtained all the information and explanations which we required. The Profits of the year have been charged with sufficient provision for accruing Depreciation of Plant and Equipment and with additional special provisions. And we certify that, in our opinion, the attached Balance Sheet at December 31st, 1922, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

PRICE, WATERHOUSE & Co., Auditors.
Montreal, February 5th, 1923.

Approved on Behalf of the Board:
F. P. Jones, Director.
H. L. Doble, Director.

THE FORTUNES OF BRITISH CUT AS RESULT OF WAR

The Nobility and So-Called Landed Class Affected

BURDEN OF TAXES

Rapid Sale of Many Old Estates Shows Inability of Traditional Owners to Retain Them

Private fortunes of Great Britain suffered severe depletion as a consequence of the war and the subsequent annihilative taxation and legislation. This is especially true of the fortunes of the nobility and landed class.

Inimical legislation really began with the budget introduced by Lloyd George in 1909-10, but measures which followed as a result of the World War brought about a practical revolution. Many of the great estates have been cut up. Fully one-third of the 56,000,000 acres of Great Britain changed hands between 1918 and 1921.

British private fortunes were rarely as great as popularly supposed. The nobility were never inclined to pile up personal wealth for mere wealth's sake, and industrial magnates were satisfied when they attained the standards set in the society of their contemporary men of influence. They could accomplish no desirable end in outstripping the fortunes of the nobles and ruling classes.

Before the war the Duke of Westminster and the Duke of Norfolk, the premier duke, were believed to be the richest men in England whose fortunes were based on real property. They had approximately £6,000,000 each. It is doubted if they now run as high at £5,000,000. Experts say there were probably only three industrial fortunes which exceeded these: Sir John Ellerman's, Lord Leverhulme's and Lord Cowdray's.

Ellerman, two years ago, was regarded as the richest man in England, with wealth estimated at £20,000,000. It has shrunk since to probably £7,000,000 or £8,000,000 because of the decline in shipping values. Lord Leverhulme is probably worth slightly over £5,000,000.

The personal fortune of Lord Cowdray, with his large oil interests, the control of S. Pearson & Sons and many other great concerns, is, according to the best authorities in England, probably something more than £5,000,000, but it is still under Ellerman's. A few years ago Lord Cowdray sold his oil interests in Mexico to the Royal Dutch-Shell group for $80,000,000. But it is generally understood that these interests were not part of his personal fortune.

The fortunes of Dewar, the distiller, Guinness, the brewer, and Sir Thomas Lipton are all believed to be considerably under £5,000,000. Four members of the Coats family, of thread manufacturing fame, have died within the last few years leaving between £1,000,000 and £4,000,000 each.

The Duke of Bedford, the Marquis of Northampton, Lord Portman and Lord Howard de Walden, all great ground landlords of London, were worth from £1,000,000 to £5,000,000 before the war. Mr. Mallaby-Deely, M. P. for Harrow, recently acquired Covent Garden, formerly the property of the Duke of Bedford, for £1,000,000. That such a transaction could be effected by a single individual at present was thought extraordinary. Competent English authorities on taxation declare these London ground landlord fortunes could not now be assessed for more than half pre-war figures, if expenses attendant upon them were taken into consideration. In other words their income is not 50 per cent. of what it was in pre-war times.

Escaping the Burden of Taxation

Rapid sale of many of the old estates indicates the inability to keep age-old domains in the hands of tradional owners.

After adoption of the Lloyd George budget of 1909-10 a change for the worse descended on the landowner Almost before he had time to accomodate himself to the changed conditions the war came on, with extreme taxation. A nominally rich man, one with, say, £30,000 a year, would from 1920 have to pay £8,925 income tax and £7,700 super tax. On succession, heirs had to pay death duties of some 30 per cent., and to raise the cash had to sacrifice even half the property. Legislation made it illegal to increase rents in most cases, although tenants were often phenomenally prosperous. With reduced incomes and higher cost of living all economies and devices to which the landowner resorted proved futile. He was driven to sell his property.

The movement began in earnest in 1917. The Estates Exchange recorded for the three years 1914 to 1916 sales of land and house property of £6,685,000, £3,570,000 and £5,107,000 respectively. In 1917 it reported £8,527,000; in 1918, £11,382,000; in 1919, £21,542,000; in 1920, £18,275,000; in 1921, £10,850,000. These figures represent but a fraction of actual transfers. The Estates Exchange is a private undertaking without cumpulsory powers, and transactions are recorded by professional agents only, and then merely when they are at and then merely when they are at liberty to disclose prices. It may be taken as fact that from 1918 to 1921 four times the figures recorded, probably £200,000,000, changed hands in return for approximately 36,000,000 acres of the entire 56,000,000 acres in England.

Practically all farmers who acquired their holdings are worse off than they were as tenants. When sales followed one another in rapid succession agriculture was on the crest of a wave of prosperity and with lack of prevision those engaged in it assumed that they were sure of a long succession of good years. Paying £2,000 for a farm of which the rent was, say £50, the farmer found £200 himself and got the rest on mortgage at 6½ per cent. or higher interest. Thus he now pays £117 (plus £8 interest on his own cash), an advance of over 160 per cent. This must be met, however bad the season.

The radical tax legislation and repressive land legislation has proven revolutionary and highly confiscatory. It has caused a legalized coercive expulsion of a highly honorable class and brought good to few, and to none with better merit. As regards the worth of the private fortunes of the upper classes of course the figures are to a large extent guesswork. There are no means of knowing exactly what the figures are in any individual case, but the estimates are made by the most competent authorities in England and may be safely assumed to be practically exact. A good deal of "dispossession" is going on, has been going on for years, so that large fortunes can escape heavy death duties. Such dispossession, to succeed, must be completed three years before death.

WANT REDUCTION IN MOUNTAIN RATE

Alberta and British Columbia Working to Same End in This Connection

From Our Own Correspondent.

EDMONTON. — Railway freight rates to and fro from the Pacific coast figured somewhat prominently in the proceedings of the Alberta Legislature, and after considerable discussion the House has gone on record as in favor of the removal of present discrimination between coast and prairie tariffs. The differences between the government and opposition on this question were unimportant, both sides of the house desiring a lowering of the rates. Premier Greenfield announced that the appeal of the British Columbia government against the tariff now in force was being supported at Ottawa by the Alberta representative, who had been instructed so to act.

From both the Alberta and the British Columbia points of view it is desired that the differential between mountain and prairie rates be removed. That differential was originally thirty per cent. dating from 1914; that is to say, the tariff on shipments from the coast through the mountains to the prairie and from prairie points through the mountains to points at the coast was thirty per cent. higher than the prairie tariff. Last June the differential was reduced one-half by orders of the Railway Commission; but the two provinces are now asking that the still remaining discrimination of fifteen per cent. be done away with and that the Pacific standard tariff shall be no higher than the tariff on the prairie.

The discussion in the Legislature brought out the fact that Alberta grain shippers in particular are looking to the Pacific route.

Americans Give Little Credit to the Germans

The change from the old practice of credit terms in the export trade of the United States with Germany is practically complete. Only in rare cases is credit extended to a German buyer, and furthermore, it is nearly always in foreign currencies that payments must be made. Such stipulations naturally affect the volume of business, the ability of the German purchaser to obtain foreign exchange becomes more difficult with the constant fall of the mark, and the feeling of confidence necessary in credit transactions is, of course, disturbed by present conditions.

A large proportion of the exports from the United States to Germany—consisting of cotton, copper, and other raw materials, in addition to foodstuffs—are paid from dollar credits opened in American banks, against shipping documents, as the goods are ready to leave the American port. A variation of this cash sale method is possible in the case of companies having branches or absolutely reliable agents in Germany; the transaction then follows the consignment method, the European branch or agency selling for cash in dollars, or at the prevailing rate with immediate conversion to dollars. American banks do not ordinarily take the risk of lending on consignments to Germany beyond what they are willing to assume on the credit standing of the shipper.

Some American firms, notwithstanding the general credit conditions indicated above, find that they can carry on business on slightly easier terms. Those with satisfactory established relations, dealing with firms well known to them, are still willing to sell to German customers on terms implying payment upon arrival of the goods in Germany; payment in such cases is usually made in dollars against documents drawn at sight.

Unfilled orders for railroad locomotives at the end of January were the largest recorded since monthly statistics were inaugurated at the beginning of 1920, according to announcement by the Department of Commerce.

Farmers Borrow From Other Farmers

Farm mortgages are difficult to get by Mortgage Companies at the present time.

A number of farmers who during the past few years have been paying off mortgages and making improvement out of earnings have, in 1922, required to borrow some money and a fair volume of these desirable loans was secured by mortgage and insurance companies. Now there has been an abatement. The situation is complicated for loan companies although improved for farmers from the amount of private money available for farm mortgages. As an instance might be cited the situation discovered by one mortgage company. In the past this company has succeeded in getting a good deal of money out in the district around Hanover. At present, however, while its rates on first-class farm loans are 7 per cent., the farmers in this district are borrowing from neighboring farmers at 6 per cent.

A fair volume of mortgages on first-class city property are being secured. Nevertheless as a result of the reduced number of loans being sought, and the heavy interest and principal payments now coming forward, there is a great deal of money in the hands of the insurance, trust and loan companies, available for investment on first-class loans.

Annual Meeting of the

Montreal City & District Savings Bank

BOARD OF DIRECTORS

HON. R. DANDURAND, President. RICHARD BOLTON, Vice-President. G. N. MONCEL, FRED W. MOLSON, RIGHT-HON. C. J. DOHERTY, CLARENCE F. SMITH, HON. SIR LOMER GOUIN, H. H. JUDAH, DONALD A. HINGSTON, ZEPHIRIN HEBERT.

A. P. LESPERANCE, General Manager. T. TAGGART SMYTH, Asst. Gen. Mgr.

HEAD OFFICE.
176 St. James Street, - - - - - - - - Montreal

SEVENTY-SIXTH ANNUAL REPORT

Montreal, February 12th, 1923.

To the Shareholders,

Gentlemen: Your Directors have pleasure in presenting the Seventy-sixth Annual Report of the affairs of the Bank, and the result of its operations for the year ending December 31st, 1922.

The net profits for the year were $247,439.64 and the balance brought forward from last year's Profit and Loss Account was $365,598.46, making a total of $613,038.10. From this amount have been paid four quarterly dividends to our Shareholders and $7,700.00 has been contributed to various charitable and philanthropic Funds,—independently of the amount of $9,350.00, interest on the Charity Donation Fund, distributed as usual,—leaving a balance at the credit of Profit and Loss Account of $405,528.78 to be carried forward to next year.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND, President.

STATEMENTS

Of the Affairs of THE MONTREAL CITY AND DISTRICT SAVINGS BANK on the 31st December, 1922.

ASSETS

Cash on hand and in chartered banks	$8,312,018.64	
Dom. and Prov. Govt. Bonds	14,654,140.60	
Cty. of Montreal & other Mun. Bonds & Debentures	16,688,870.46	
Bonds of School Municipalities	406,861.20	
Other Bonds and Debentures	1,172,553.48	
Sundry Securities	224,000.00	
Call and Short Loans, secur'd by C'llaterals	7,387,581.60	
Charity Donation Fund, invested in Municipal Securities appr'v'd by the Dominion Government	180,000.00	
		$49,026,025.98
Bank premises (Head Office and sixteen Branches)	1,100,000.00	
Other Assets	70,043.67	
		1,170,043.67
		$50,196,069.65

LIABILITIES

To the Public:		
Amt. due D'p'sit'rs	$46,353,339.03	
Amt. due Receiver-General	93,341.86	
Amt. due Charity Donation Fund	180,000.00	
Amt. due Open Accts.	315,289.98	
		$46,941,970.87
To the Shareholders:		
Capital St'ck (Amt. subscribed $2,000,000), paid-up	1,498,570.00	
Reserve Fund	1,350,000.00	
Profit & Loss Acct.	405,528.78	
		3,254,098.78
		$50,196,069.65

On behalf of the Board,
R. DANDURAND, President.

A. P. LESPERANCE, General Manager.

AUDITORS' REPORT

Having obtained all the information and explanations we have required, and having satisfied ourselves of the correctness of the Cash Balances, and examined the Securities held against the Money at Call and Short Notice, and those representing the investments of the Bank, and having examined the foregoing Balance Sheet and compared it with the books at the Head Office, and with the Certified Returns from the Branches, we are of opinion that the transactions of the Bank have been within its powers, and that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs as shown by the books of the Bank.

Montreal, February 3rd, 1923.

A. CINQ-MARS, C.A.
C. A. SHANNON, L.I.A., Auditors.

SOLID BUILDING

	1922	Increase over 1921	
Insurance in Force	$30,463,796	$4,071,906	15%
Insurance Issued	9,644,238	1,266,212	15%
Admitted Assets	4,495,263	325,131	8%
Interest Rate	6.91%	.47%	
Surplus (Government Basis)	151,906	144,315	1901%

A substantial increase in insurance in force combined with a good increase in surplus are the results of sound business building methods.

THE NORTHERN LIFE
ASSURANCE COMPANY OF CANADA
HOME OFFICE: LONDON, CANADA

RIORDON CREDITORS REPORT

Riordon creditors are in receipt of a letter from their committee announcing a number of changes which have taken place of late in the affairs of the committee. Chiefly these are that W. S. Sample and C. E. Fraser resigned from the committee and that in their place A. E. G. Madley, Montreal and A. L. Perkins, Powassin, were added in their place. Roy Campbell, acting secretary of the Riordon Co., was also named to the committee, succeeding S. S. Perry.

FUNDS TENDENCY FROM BONDS TO GOOD MORTGAGES

Result is That Treasuries Are Full Awaiting Borrower's Call

RATES ARE EASING

Second Mortgage Situation Not So Clear While Opinion Differs as to the Supply

Mortgage men report a steady movement of funds from bonds to mortgages. The result is that there is a swiftly mounting supply of mortgage funds available. This in turn is bringing about an easing in the mortgage rate.

Last fall there was a perceptible stiffening in the interest rate for mortgages and until the turn of the year it stood at 7½ per cent. There was the occasional 7 per cent. loan but this was on the exceptional risk. To-day there is a large amount of money available at 7 per cent.

Mortgage men explain this leaning to mortgages by the fact that income taxes have made it necessary for people dependant on their investment income, to secure a higher rate of return than that provided by bonds. This tendency is by no means a new one. Last fall a move very much like this was made by some insurance companies. Many annual reports now being issued show that companies made substantial profits by selling their short term bonds. In some cases the funds made available were all placed in first mortgages.

Trust and Loan companies, almost without exception report well laden treasuries awaiting the call of good first mortgages. It is generally believed that there will be a substantial amount of good building during the year and a good portion of these funds will be in demand for this.

Opinions differ widely on the matter of second mortgage money. Some say that it is going to be scarce and some say there will be ample to supply the demand.

The head of one large trust company expressed wonder that there was such an amount of second mortgage funds available last year. He said these funds did not come from banks, trust or loan companies and so must have originated from private sources. He believed that such funds must be pretty well exhausted.

On the other hand mortgage men declare they have offers of sufficient such funds to take care of their needs and they believe that even greater amounts will be forthcoming. There seems no tendency to stiffen the rate, and while there is a tendency in some sections to shave down the loans, on account of a possible decrease in values, there are no indications that building will be hampered in any way because of scarcity of funds.

National Railways Slightly Improve

MONTREAL.—Official figures of railway earnings for November show a fair operating revenue on the Government roads. Total revenues were $12,737,757 and expenses $11,983,254, leaving net operating revenue of $754,520, compared with $720,514 for year ago. The Grand Trunk showed revenue of $7,481,578 and expenses of $6,924,264, leaving net revenue of $557,313, as compared with $182,890 in 1921. The ratio of expenses to revenue on the Canadian National roads for the month was 94.08 per cent., while the Grand Trunk figure was 92.55 per cent. and the Canadian Pacific Railway Co.'s 68.34 per cent.

Twenty-Five Railway Heads Get Fifty Thousand a Year

Almost All Began Work Before 21 and Rose From the Ranks

Facts in the careers of twenty-five railway officials, who are receiving salaries of $50,000 or more, published recently by a committee of the United States Senate, prove "that the door of opportunity in the railroad business still stands wide open to every man who enters the service," says Railway Age.

Of these twenty-five men, seventeen entered railroad service before they were twenty-one years old; eleven entered the service when they were eighteen years old or less, and almost all began their careers as workers in the ranks. The following list gives the names of the men receiving salaries of $50,000 or more, the positions they first held, and their ages when they entered railway service:

	Years old.
C. R. Gray, telegraph operator	15
C. H. Markham, track laborer	20
H. E. Byram, call boy	16
J. E. Gorman, office boy	14
C. E. Schaff, brakeman	15
E. Pennington, warehouseman	21
J. Kruttschnitt, engineer on construction	24
R. S. Lovett, local attorney	24
Daniel Willard, track laborer	18
W. T. Noonan, office boy	14
N. D. Maher, surveyor's clerk	17
Hale Holden, attorney	38
T. M. Schumacher, telegraph operator	17
L. F. Loree, assistant, Engineer Corps	19
S. M. Felton, rodman	15
E. J. Pearson, rodman	18
W. B. Storey, axman, Engineer Corps	20
B. F. Bush, rodman	22
Howard Elliott, rodman	19
Samuel Rea, engineering corps	16
E. N. Brown, rodman	16
A. T. Dice, flagman, Eng. Corps....	19
Charles Donnelly, attorney	34
A. H. Smith, messenger	
William Sproule, freight clerk	

We do not know the ages at which A. H. Smith and William Sproule entered railway service but they must have been very young, as Mr. Smith began work as a messenger in 1879 and Mr. Sproule as a freight clerk in 1882.

Noonan as Executive at Thirty-six

The facts indicate that some romantic stories could be written about the careers of some of these men. Take, for example, the case of a man who entered railway service as a messenger when fourteen years old, and when only thirty-six was a railroad president. This is the story of W. T. Noonan. Hale Holden was a lawyer in general practice until he was thirty-eight years old. He then became a railroad attorney, and when forty-five years old was president of one of the largest systems in the country.

There has been much discussion within recent years regarding the opportunities afforded college graduates in the railroad business.

A partial answer is given to this question when it is stated that ten out of the twenty-five men whose names are given in the above list are college men. Those who went to college are Messrs. Kruttschmitt, Holden, Loree, Felton, Pearson, Storey, Bush, Elliot, Donnelly, and Brown, and seven of these took engineering courses. It may be asked how some of them could have gone to college and entered railway service at such early ages. The answer is that several did work for railways in vacations and at other times to earn money with which to pay their college expenses.

If the young man who enters the railroad business expects to rise to a presidency and large salary while still young, the experience of these men shows that he is likely to be disappointed. Of the twenty-three men receiving salaries of $50,000 or more whose ages can be given, ten were under fifty and thirteen were over fifty when they became railroad presidents. Their average age was fifty-two years, and the average length of time they had been in railroad service was over thirty-one years.

It is charged these so-called "fancy salaries" tend to cause high rates and to prevent labor from being paid reasonable wages. All the salaries of $50,000 or more given in the list published in the Senate committee's report aggregate $1,602,068 a year. This was one cent out of every $35 that the railways earned in 1921. It took about one and a half hours' earnings to pay these "fancy salaries." If all the men who receive salaries of $50,000 or more had worked for nothing in 1921, and the amount paid to them had been added to the wages of the employees, this would have added less than $1 a year to the wages of each employee, or three and a half cents for each working day.

These high salaries are the only big prizes the railways have to offer for energy, ambition, and ability. They are the prizes for which the most ambitious, energetic, and able men in the business compete and for which they compete by doing their work with all the energy and ability of which they are capable. To remove these prizes from the business would be largely to destroy the incentive of able men to stay in it and put forth their best efforts.

HEAVY DECLINE IN RESERVE BANK PROFIT

System Pays $10,851,000 Franchise Tax of Which New York Contributes $1,862,509

After closing their books on December 30 and paying 6 per cent. dividend, combined Federal Reserve banks paid to the U. S. government $10,851,000 in franchise tax. This compares with $59,974,466 for the calender year 1921, $60,725,000 for 1920 and $2,703,894 for 1919. Total franchise tax paid by date by all Federal Reserve banks is $135,388,336, of which New York Federal Reserve Bank has paid approximately half.

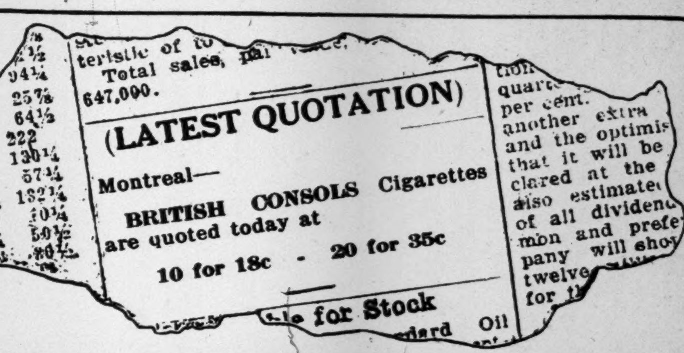
Under Section 7 of the Federal Reserve Act as originally enacted, after all necessary expenses of a Federal Reserve bank had been paid stockholders were entitled to an annual dividend of **6 per cent.** on paid-in capital stock after which net earnings were to be paid to the United States as a franchise tax, except that one-half of such net earnings were to be paid into a surplus fund until it amounted to 40 per cent. of paid-in capital. This latter provision, however, as amended, provides that after dividend claims net earnings shall be paid to the United States as a franchise tax except that the whole of such net earnings shall be paid into a surplus fund until it shall amount to 100 per cent. of subscribed capital stock and thereafter 10 per cent. of net earnings shall be paid annually into surplus.

Although franchise tax paid for calendar year 1922 was about four times the tax paid for 1919, nevertheless net earnings were much smaller in 1922. In 1919 New York was the only bank to raise its surplus to the required 100 per cent., consequently it was the only bank to pay a franchise tax. Net earnings for the system for 1919 totaled about $78,000,000 while for 1922 there were only about $20,000,000 which indicates that approximately 50 per cent. net earnings went to the government compared with about 3½ per cent. in 1919.

Net earnings available for franchise tax dividends, etc., for New York Federal Reserve Bank were $4,564,000, which compares with net of $29,598,067 in 1919, $53,128,130 in 1920 and $26,093,832 in 1921.

BRAZILIAN CURRENCY REFORM

In connection with its currency reform project the Government of Brazil proposes to terminate its note-issuing functions and to transfer to the Banco de Brazil the exclusive right to control the currency, subject to limitations to be imposed by law. It is proposed that the Banco de Brazil's note issue shall be based to the extent of one-third on gold and two-thirds on commercial paper endorsed by first-class banks, according to the practice followed by the principal banks of issue in Europe and America. It is proposed that the existing Treasury paper issues shall be redeemed partly out of the profits of the bank and party by appropriations voted by the National Congress. The Government declares that it is opposed to inflation for agricultural purposes. It is stated that measures are now being drawn up to bring about this projected currency reform, and economies are already being put into force with the object of balancing the Budget without resort to inflation. If the Brazilian Government succeeds in giving complete effect to its currency policy and the Banco de Brazil exercises a wise discretion in its monetary policy, the results cannot fail to have important beneficial effects on the credit of Brazil both at home and abroad.



HIGHEST STANDARD OF THE WORLD

For pipe smokers who prefer straight Virginia there is nothing finer than BRITISH CONSOLS TOBACCO

64

The Motor Car Sensation of 1923.

The beautiful Coupe-Sedan. a New Creation!

NOT a Sedan: not a Coupe: not a Coach. The new Coupe-Sedan. With ample riding room for five, this strikingly original enclosed model combines the convenience of the Sedan with intimacy of the Coupe. Doors at front and rear give unhampered entrance and exit. Folding seats and their inconvenience are conspicuously absent.

The body, of steel, is exquisitely beautiful. Interior fittings and appointments are complete. A smarter radiator, racier head-lamps and detailed features of comfort and luxury register true nicety and workmanship.

The Willys-Knight sleeve valve motor grows smoother and more powerful with use.

A remarkable feature of this new Coupe-Sedan is its surprisingly reasonable price—only $2,350 f.o.b. Toronto—Taxes extra.

WILLYS-KNIGHT

Return of the Chartered Banks of the Dominion of Canada, December 30, 1922.

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913.

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK Capital Subscribed	Capital paid up	Amount of Reserve Fund	Last Dividend declared	Notes in circulation	Due to Dominion Government	Due to Provincial Government	Demand Deposits In Canada	Notice Deposits in Canada	Deposits Elsewhere
	$	$	$	$	%	$	$	$	$	$	$
*Montreal	31,175,000	27,250,000	27,250,000	27,250,000	12	41,448,263	12,267,889	5,184,840	131,551,498	284,896,885	88,142,747
Nova Scotia	15,000,000	10,000,000	10,000,000	19,500,000	16	15,399,640	1,099,6[illegible]2	1,039,465	32,130,092	105,858,066	32,297,325
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	7,023,003	1,143,825	1,210,398	25,776,704	44,714,974	....
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	4,806,901	126,997	902,870	13,657,546	40,682,905	....
Nationale	5,000,000	3,000,000	2,924,190	400,000	6	4,958,770	2,871,270	458,762	5,075,978	24,968,028	6,458,455
Provinciale	5,000,000	3,000,000	3,000,000	1,500,000	9	3,231,879	70,763	125,520	4,346,037	21,877,141	....
Union	15,000,000	8,000,000	8,000,000	6,000,000	10	9,490,374	1,389,495	3,915,290	32,128,920	63,646,054	3,311,675
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	23,472,943	13,516,534	5,835,393	97,914,882	152,072,276	43,385,545
Royal	25,000,000	20,400,000	20,400,000	20,400,000	12	27,804,932	5,803,744	2,515,094	83,734,621	176,021,245	111,490,947
Dominion	10,000,000	6,000,000	6,000,000	7,00,000	12	7,571,461	4,916,772	1,149,631	29,566,414	63,957,103	3,264,074
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	5,410,077	26,997	714,432	15,552,027	39,247,175	....
Standard	5,000,000	4,000,000	4,000,000	5,000,000	14	5,432,760	156,180	1,089,264	17,145,914	41,771,146	....
d'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	5,945,549	279,840	103,949	10,218,350	41,262,782	....
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	10,552,781	827,642	3,187,080	27,857,043	59,538,648	....
Home	5,000,000	2,000,000	1,960,284	550,000	7	1,935,125	271,141	1,195,602	5,822,658	11,855,815	....
Sterling	3,000,000	1,266,600	1,232,900	500,000	8	1,246,166	3,196,407	1,902,246	3,841,112	11,023,574	....
Weyburn Security	1,000,000	655,700	524,560	225,000	7	470,727	57,698	30,621	1,293,160	1,310,779	....
Total	187,175,000	125,572,300	125,291,934	130,675,00[illegible]	.....	176,201,351	48,022,846	30,560,457	537,613,056	1,184,703,596	288,350,768

NAME OF BANK	Loans from banks in Canada	Balances Due to Banks in Canada	Due to Banks in the U. K.	Due to Banks Elsewhere	Bills Payable	Acceptances under letters of Credit	Other Liabilities	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greatest amount notes in circulation
	$	$	$	$	$	$	$	$	$	$	$	$
*Montreal	....	3,015,253	158,550	338,011	1,173,412	3,689,790	1,037,454	572,904,597	647,336	48,706,211	57,896,693	44,355,236
Nova Scotia	....	1,835,627	88,108	774,452	576,560	480,767	394,403	191,974,161	1,078,673	9,528,696	15,090,661	16,515,144
Toronto	....	396,280	77,259	540,553	....	614,091	2,195	81,499,285	471,060	979,691	6,123,949	7,652,503
Molsons	....	309,227	42,026	341,889	....	413,402	462,034	61,745,801	204,759	595,984	4,358,506	4,996,106
Nationale	....	1,651	....	138,337	250,000	....	125,350	45,306,605	285,747	436,700	1,207,300	4,958,770
Provinciale	....	541	5,479	1,162	....	....	162,623	29,821,149	....	177,512	251,769	3,288,514
Union	....	591,123	3,272,632	2,211,374	51,220	3,746,606	37,518	123,792,286	1,786,959	1,097,559	8,583,745	9,970,974
Commerce	....	329,097	1,737,529	9,389,202	1,287,698	5,432,288	20,472	354,393,863	1,339,785	21,553,000	16,145,000	24,897,539
Royal	....	832,146	498,272	12,300,555	4,898,882	4,616,006	58,568	430,575,018	533,300	11,391,429	19,558,979	29,886,010
Dominion	....	1,214,303	1,485,256	1,531,990	184,240	735,365	488,112	116,064,727	311,326	2,085,000	8,515,000	8,246,861
Hamilton	....	189,038	10,451	401,639	....	152,898	....	61,704,737	735,573	889,066	2,662,147	5,923,577
Standard	....	1,948,639	896,612	497,896	84,814	80,141	174	69,103,544	77,000	1,738,784	4,611,726	5,826,045
d'Hochelaga	....	3,786	6,502	521,137	....	86,181	....	58,428,081	165,800	496,419	2,995,242	6,062,914
Imperial	....	663,222	15,502	268,491	....	216,900	....	103,126,311	95,437	1,857,880	9,879,694	11,408,766
Home	....	11,618	136,604	628,060	....	....	....	21,856,625	200,147	273,675	1,184,000	2,125,100
Sterling	....	415,570	51,567	267,461	....	2,820	1,467	21,948,395	221,967	71,579	760,321	1,352,501
Weyburn Security	....	....	....	11,341	....	....	45,343	3,219,771	13,634	16,578	95,718	505,997
Total		11,757,121	8,482,349	30,163,550	8,506,825	20,267,255	2,835,713	2,347,464,956	8,168,503	101,895,763	159,920,450	187,272,557

*Bonds of the Merchants Realty Corporation to the extent of $2,837,000 secured on premises leased to the Bank, are in the hands of the public. These Bonds do not appear in the above Statement, as the Bank is not directly liable therefor.—Footnote to Bank of Montreal return.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other Banks	Cheques on other banks	Balance due from banks in Canada	Due from banks in United Kingdom	Due from Banks elsewhere	Government Securities	Canadian municipal, British and foreign securities	Railway and other bonds and stocks
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	48,765,266	54,177,208	1,620,000	18,000,000	4,916,960	23,601,704	....	3,928,453	12,827,454	35,456,147	31,757,967	2,975,521
Nova Scotia	11,419,548	25,315,653	474,491	6,000,000	2,543,755	10,286,771	....	363,657	1,894,775	25,719,088	10,373,948	5,105,286
Toronto	978,778	5,970,232	270,354	2,500,000	666,010	5,352,237	....	....	1,393,574	16,105,346	2,368,351	305,313
Molsons	582,726	5,681,859	193,000	1,000,000	567,022	3,422,497	4,647	1,060,044	1,724,314	5,910,674	1,240,913	1,775,462
Nationale	424,964	1,068,701	108,500	1,700,000	623-046	1,754,894	28	8,518	1,024,036	16,244	6,336,812	779,878
Provinciale	170,829	253,219	150,950	....	555,963	1,826,570	2,045,187	....	75,144	2,674,233	3,563,062	1,183,149
Union	1,113,574	7,288,477	395,000	2,000,000	1,004,,818	5,912,352	100,402	635,171	3,548,997	17,301,214	6,541,223	2,249,844
Commerce	11,262,645	20,986,457	750,000	10,000,000	3,834,731	17,296,517	1,420	564,085	9,406,671	26,664,812	11,168,128	7,095,745
Royal	11,554,449	25,239,258	1,020,000	9,000,000	23,797,042	19,196,061	4,307	2,118,199	22,484,943	23,689,490	7,971,895	13,469,650
Dominion	2,075,673	13,654,168	304,500	1,700,000	987,087	8,465,160	45	201,991	2,142,987	11,895,645	1,808,367	1,847,062
Hamilton	920,785	3,121,952	250,000	800,000	677,107	3,328,365	430,053	201,729	763,584	2,659,800	3,000,888	354,983
Standard	1,759,602	4,973,102	200,000	1,500,000	499,546	4,713,334	100,000	170,533	556,141	7,234,560	2,324,184	1,221,901
d'Hochelaga	527,184	2,325,049	200,000	2,000,000	1,337,939	3,299,586	562,401	176,722	1,255,154	4,060,479	3,162,817	933,421
Imperial	1,871,95[illegible]	10,442,782	323,684	5,002,533	1,403,005	6,283,757	767,540	328,216	1,307,200	10,769,737	3,081,623	411,945
Home	271,30[illegible]	1,216,022	100,000	....	330,449	829,300	101,100	34,175	752,318	298,221	264,598	2,306,559
Sterling	74,26	1,079,917	66,000	....	153,429	919,442	5,000	33,343	234,262	11,452,394	1,454,094	304,578
Weyburn Securit	15,75	93,764	23,547	....	23,275	39,157	1,130,845	....	186,572	436	13,314	....
Total	93,789,	182,686,820	6,450026	61,202,533	43,912,184	116,527,704	5,252,975	9,824,836	61,578,126	201,836,520	96,432,184	42,320,294

NAME OF BANK	Call loans in Canada	Call loans elsewhere	Other Current Loans in Canada	Other current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises	Mortgages on real estate sold	Bank premises Less written off	Letters of Credit	Other Assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	6,970,275	104,414,026	225,129,734	15,058,237	7,794,869	14,224,330	1,052,704	376,696	2,032,994	10,500,000	3,689,790	*1,488,007	630,758,349
Nova Scotia	7,414,190	10,384,713	81,381,654	12,446,341	1,876	2,469,466	137,751	87,907	162,562	7,221,656	480,767	161,458	221,647,324
Toronto	7,857,559	....	44,005,725	....	....	1,765,222	357,038	....	....	3,474,927	614,091	....	93,984,762
Molsons	4,592,648	....	38,006,534	....	....	1,255,370	411,848	47,583	26,035	3,126,137	413,402	387,959	71,430,682
Nationale	455,000	....	29,250,189	....	....	362,408	1,204,100	679,959	324,753	2,478,219	....	124,058	48,724,316
Provinciale	4,659,916	....	13,965,713	....	....	1,536,094	344,263	5,500	9,645	1,209,150	....	166,924	34,394,798
Union	5,183,764	3,091,431	61,379,296	6,429,212	4,468,963	2,577,879	241,530	210,104	385,774	2,389,578	3,746,606	118,842	138,314,061
Commerce	17,409,149	21,058,401	170,761,049	26,238,806	3,925,868	14,113,303	576,078	751,701	190,181	7,318,228	5,432,288	48,180	386,854,452
Royal	15,184,618	35,509,382	140,044,865	6,138,738	1,268,809	6,177,732	462,596	1,520,639	246,545	12,200,023	4.616,006	106,561	473,021,818
Dominion	5,808,605	6,460,938	62,785,326	1,322,556	....	1,126,903	208,701	36,449	22,170	6,151,885	735,365	325,774	130,064,364
Hamilton	8,169,107	450,000	39,722,172	....	36,235	2,589,085	328,900	682,291	148,624	3,266,236	152,898	321,865	72,376,667
Standard	4,614,658	535,000	44,060,321	....	....	1,833,712	340,035	281,540	21,200	1,867,857	80,141	38,522	78,927,895
d'Hochelaga	4,953,343	500,000	34,830,550	....	....	1,650,943	498,939	311,942	471,425	3,586,471	86,181	74,424	66,804,977
Imperial	3,768,021	3,250,000	55,586,649	....	1,874,667	5,097,714	544,111	435,750	391,119	5,530,940	216,900	568,624	119,186,481
Home	1,286,649	....	15,277,542	23,193	....	71,766	245,780	86,542	104,727	708,676	....	53,433	24,362,367
Sterling	56,798	....	7,135,470	....	....	121,455	20,153	....	8,166	588,342	2,820	105,448	23,815,460
Weyburn Securit		....	1,904,105	....	....	41,361	94,289	100,123	26,587	208,341	....	67,851	3,969,331
Total	98,383,580	185,653,891	1,065,226,894	157,657,083	19,371,287	57,014,733	7,068,816	5,614,726	4,572,507	71,826,756	20,267,255	4,157,930	2,618,638,104

Column No. 4. Of this deposit $14,002,533 is in gold coin, the balance is in Dominion notes.

*This amount includes $922,000 bonds of the Merchant's Realty Corporation held by the Bank that were not issued to the public.—Footnote to Bank of Montreal return.

FINANCE DEPARTMENT, OTTAWA, January 22nd, 1923.

BRITISH COLUMBIA ELECTRIC RAILWAY.

THE OUTLOOK.

A PERIOD OF PEACE AND PROSPERITY.

The 26th ordinary general meeting of the members of the British Columbia Electric Railway Company, Limited, was held on Monday, January 22, at the Liverpool Street Hotel, London, E.C., England, Mr. J. Davidson (deputy chairman) presiding.

The Secretary (Mr. R. W. Bartlett, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, as the report and accounts have been in your hands for some time, may we take them as read? (Agreed.) Your chairman, Mr. R. M. Horne-Payne, regrets that, owing to ill-health, he is unable to be present to-day, but I have received his speech, which, with your permission, I will now read to you:—

Gentlemen, notwithstanding a year full of difficulties, we are able to show results which enable us to recommend you to declare final dividends of 18s 8d p.c. on the Preferred Ordinary stock and £2 9s 8d p.c. on the Deferred Ordinary stock, both free of income tax, making, with the interim dividends already paid, total dividends for the year of £4 13s 8d p.c., free of tax, on the Preferred Ordinary stock and £6 4s 8d p.c., free of tax, on the Deferred Ordinary stock.

As was the case last year, the revenue shown in the profit and loss account does not include any profit on exchange derived from the remittance of money from Vancouver to London, such profit being of an exceptional character. The net profit on exchange has been carried direct to reserve fund. This is a wise measure, because it is impossible to forecast how long we may derive any advantage from this source. Should it become necessary to remit money on capital account from London to Vancouver before the rate of exchange becomes normal the premium on the dollar may be a disadvantage to the company, against which contingency the present profit on exchange forms a useful reserve.

The Gross Earnings

The gross earnings of your enterprise for the year under review show a decrease of $124,299 as compared with the previous year, due mainly to a decrease in passenger and freight traffic. Fortunately, the decrease in revenue from these sources, together with the cost of increased taxation, has been compensated to some extent by economies in operating expenses, and also by an increase in the revenue from gas and lighting, so that the net revenue shows a decrease of only $58,409.52, or £12,043 4s. The figures of passengers and freight carried and gas sold during the year are contained in the report which is in your hands.

The amount of electricity sold during the year was 177,206,106 K.W.H., as compared with 175,591,999 K.W.H. the previous year. The electricity sold constitutes a record in the history of the company, and as the demand continues to increase steps are being taken to meet it. As I explained last year, through our purchase in 1920 of the undertaking of the Western Power Company of Canada, we have a very large reserve of water-power resources available for development to meet the demand for electric power for many years to come. The work of raising the height of the dam of the present installation of the Western Power Company of Canada at Stave Lake is being pushed on, and when complete a fourth unit capable of generating a further 7,500 K.W. will come into service. A large increase in the volume of water available at Stave Lake will also be obtained by diverting the waters of Lake Allouette. In addition, we expect to be able to obtain as much as 80,000 horse-power from the development of a second power site lower down on Stave River, and plans for this development are in course of preparation. We have also other water-power resources from which substantial power supplies can be developed later as and when required.

The Bill which the Provincial Legislature have passed to provide for the regulation of passenger rates chargeable by your company will, through the appointment of a Commission, provide a peaceful, and it is believed equitable, means for the settlement of fares in any municipality or district served where your company and the authorities concerned are unable to arrive at a mutual agreement.

An Unsatisfactory Position Terminated

We are also glad to be able to report that an agreement has been come to with the City of Vancouver establishing the fare in the City of Vancouver at 6 cents for a further period of three years from November 8, 1922, and providing that either party shall be entitled at the end of the three years to have the fares then charged revised by mutual agreement, or failing mutual agreements, by arbitration. This terminates the hitherto unsatisfactory position. I especially desire to express our appreciation of the reasonable and fair attitude displayed both by the Legislature of the Province of British Columbia and the Council of the City of Vancouver in arriving at a settlement of these matters. This announcement will go far to remove the feeling of distrust with which Canadian investments are unfortunately at present looked upon by British investors, and will make it possible when the time comes to raise capital not only for the development of our enterprise but also of other Canadian enterprises.

It also makes it possible for us once again to set to work with renewed energy and determination to help to increase the prosperity of British Columbia by every means in our power, direct or indirect, and we shall be able to do this effectively as long as the public authorities join with us in a spirit of mutual interest and reciprocal goodwill.

I have, therefore, every hope that there lies before us a period of peace and prosperity. We have built up this vast enterprise at cost of $59,000,000 of money. We supply the populations of the most important cities in British Columbia with transportation, light, heat, power and gas. To supply these services we have built and equipped 369 miles of electric railway, have harnessed and developed four water powers to a total capacity of 163,000 h.p., have erected a reserve steam plant of a capacity of 23,000 h.p., and gas plants now supplying 602,030,000 ft. of gas per annum, and have established a vast distributing system of cables and pipes.

In addition, we have available a further large amount of water-power which we shall develop continuously as circumstances require.

All the money to build up this great enterprise has been raised upon very cheap terms—I am satisfied more cheaply than by any other similar enterprise in Canada and probably in America—and all that we have required has been fair treatment at the hands of the authorities and the public who are reaping the benefit.

An Illustrated Booklet

We are preparing for the benefit of the shareholders and those interested in the company an illustrated booklet, as we feel that this enterprise has grown to such an extent that many of the shareholders themselves do not quite understand the great value of the property which they own. This booklet will be ready in the course of a month or two and a copy will be sent to each shareholder.

I must, before concluding my remarks, refer to the loss we have sustained by the death of Mr. Buntzen. Mr. Buntzen was associated with me in the inception of this enterprise, and throughout his entire career he was a courageous pioneer, a faithful manager and a prudent and sagacious counsellor. His loss is sorely felt by me personally and by the directors and officers of the company, and his counsel will be sadly missed. It is with deep regret also that I have to refer to the resignation of Mr. Evan-Thomas on account of ill-health. He has been a director of the company for 20 years, and his severance from the directorate is greatly regretted by myself and all his colleagues.

Finally, I desire to record our very high appreciation of the services rendered to the company by the management and staff in British Columbia and to the helpful and able manner in which the London secretary has performed the duties falling upon him.

Gentlemen, I now beg to move: "That the balance-sheet as at June 30, 1922, and revenue account for the year ended on that date, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Mr. T. Blundell Brown seconded the resolution.

After the chairman had replied to several questions from shareholders, the resolution was put to the meeting and carried unanimously.

The Dividends

The Chairman then proposed the following resolution: "That the payment of the following dividends be and are hereby approved:—Dividend on the Cumulative Perpetual Preference stock at the rate of 5 p.c. p.a. (less income tax) for the half-year ended December 31, 1921, on January 16, 1922, and for the half-year ended June 30, 1922, on July 15, 1922. Interim dividends on the Preferred Ordinary and Deferred Ordinary stocks for the year ended June 30, 1922, at 3¾ p.c., free of income tax, on September 7, 1922. Also that dividends be now declared in respect of the year ended June 30, 1922, as follows:—On the Preferred Ordinary stock at the rate of 18s 8d p.c. p.a., free of income tax, making a total dividend for the year of £4 13s 8d p.c., free of income tax. On the Deferred Ordinary stock at the rate of £2 9s 8d p.c p.a., free of income tax, making a total dividend for the year of £6 4s 8d p.c., free of income tax."

The resolution, having been seconded by Mr. Harold G. Brown, was unanimously agreed to.

Mr. Harold G. Brown said he had the very pleasing task to perform of proposing the re-election to the board of Mr. Davidson. It was about two years ago, he thought, since Mr. Davidson was appointed to the position of deputy chairman, as the directors felt the necessity of having someone, if he might say so, possessed of push and go to control the company's affairs on this side. The appointment had been a great success, and he felt sure that the shareholders would have no hesitation in re-electing Mr. Davidson to the board. He then moved: "That Mr. John Davidson, one of the retiring directors, be and is hereby re-elected a director of the company, and that inasmuch as Mr. Evan-Thomas does not seek re-election the vacancy caused by his resignation be treated as a casual vacancy." Mr. Brown added that he would like to associate himself personally with the remarks which Mr. Davidson had made with regard to Mr. Evan-Thomas, who, for many years—in fact, ever since he could remember—was a very active member of the board until he was struck down by ill-health.

Sir Ernest Harvey, K.B.E., seconded the motion, which was unanimously passed.

Vote of Thanks

Mr. G. P. Norton said he had much pleasure in proposing a vote of thanks to the general manager and staff in British Columbia. Mr. George Kidd, their general manager, was a man with very exceptional qualifications for the important post which he occupied. As was nearly always the case, when there was an able man at the top it would be found that he collected a thoroughly efficient and capable staff to work with him. That was exactly the position of their company, and they must consider themselves particularly fortunate. These gentlemen not only had to control a very great organization, but they had delicate and difficult negotiations to undertake at times. In the report reference was made to quite an important settlement for which they had long been waiting, and which the management had, with great tact and judgment, brought to a successful issue during the past year, and they were greatly indebted to them for what they had done in that respect. (Hear, hear.) It was highly important that the board should know all that was going on, and they received reports periodically which were models in the way in which they gave details of the company's operations. By means of those reports the directors were able to watch the progress of the company, and in every possible way they got the fullest opportunity of considering everything that was important in relation to the doings of the undertaking. They were admirably served by their general manager and staff, and he felt sure that a cordial vote of thanks from the shareholders would be warmly appreciated on the other side.

Mr. T. Blundell Brown, in seconding the motion, said that possibly the report before the meeting afforded the best testimony they could have to the efficiency of the management in British Columbia. He would like just to say that what struck one most when one went to that country and met the various members of the management and staff was the wonderful feeling of loyalty and devotion to the company displayed by them. They were all animated by a strong desire for the success of the company, and spoke of it almost as if it were their own property. That feeling, he was certain, guided by wise counsels from the management, was really responsible for the great success of the company.

The vote was unanimously accorded.

On the motion of Mr. C. J. Nicholson, seconded by Mr. A. H. Hayman, the auditors, Messrs. Norton, Slade and Company (London) and Messrs. Helliwell, Maclachlan and Company (Vancouver) were reappointed.

Mr. Innes proposed a hearty vote of thanks to the chairman and board, remarking that they had a splendid company splendidly managed.

Mr. Mackay seconded the proposal, and it was unanimously carried.

The Chairman having acknowledged the vote, the proceedings terminated.

RUSH TO QUEBEC PROMISES TO START GOLD PRODUCTION

Heretofore Yellow Metal Has Only Been a By-Product

OTHER MINERALS

Mica, Iron Ore Deposits Valuable—Laws of Province Are Favorable to Prospectors

The recent rush into the province of Quebec where hundreds of claims have been staked and very rich ore reported found, brings out the interesting fact that, heretofore, gold has only been produced as a by product of copper, zinc and lead.

There are numerous occurrences of gold ores proper, but they have not been developed into producing mines. However, active prospecting and development work is being carried on at present in the Abitibi region, at the headwaters of the Harricana River, and also in the townships of Boischatel, Dasserat, Rouyn, immediately east of the Larder Lake region, on gold-bearing deposits which have the same geological characteristics as the Porcupine, Kirkland Lake, and Larder Lake occurrences, and as geological formations and mineralization are not restricted by interprovincial boundaries, it is possible that north-western Quebec may some time rival Northern Ontario in the production of precious metals.

Quebec mica is second to none, and it is greatly in demand for the construction of electrical machinery. There is more mica from India used in the world, because it is cheaper, but Canadian amber mica is stronger, more elastic, and a better insulator of electricity. The drawback to Canadian mica mining is that deposits are irregular, in pockets, expensive to mine, but is widely distributed between the St. Lawrence River and Hudson Bay, in the extreme north of the province. Quebec is responsible for 80% of the production of Canadian mica.

Quebec possesses, at St. Remi, in the township of Amherst, the only deposit of high-grade kaolin, or china clay, known and worked in Canada. This peculiar mineral is widespread in that township and apart from the deposit which is now being worked, numerous occurrences are known.

The titaniferous iron of the lower North shore of the St. Lawrence River has been known for a long time, and in fact, in the early times of the French regime, Colbert, the famous minister and adviser of Louis XIV. of France had them examined and studied as a possible source of a Canadian iron smelting industry. But their high contents in titanium has always precluded their use as iron ores. It is quite possible that in the near future they may become the source of a very profitable industry, that of the manufacture of "Titanium White," a new product which is fast assuming a promient place in the paint industry. Titanium white is likely to replace, in a great measure, the white lead, which plays such an important role in the manufacture of paint. It has a higher covering power than white lead, it is not poisonous, and with linseed oil it gives a paint which is not acted upon by sea water. One pound of titanium white covers twice the area which can be covered by one pound of white lead. The quantity of titaniferous iron which is available in the Quebec deposits is enormous, if not unlimited.

A region which has lately, very deservedly, attracted the attention of prospectors and miners, is the Gaspe Peninsula. The interior of this part of the province has hardly been touched from the standpoint of mineral resources, and yet it is most promising. The Devonian and Silurian sedimentary rocks, as well as the extensive occurrences of volcanic tuffs, which constitute the main range of the Shick Shock mountains, and the broken region of the headwaters of the Cascapedia, the York and the St. John Rivers, have been intruded by numerous masses of igneous rocks, such as, granite porphyries, syenites, granites, peridotites, and others, which have brought about in certain places, intense mineralization. As an instance, there are the zinc and lead deposits in the Cascapedia River, which are being developed with gratifying results; the copper showings of the headwaters of the York River, which although difficult of access, are nevertheless worthy of investigation.

Laws Are Liberal

On reading over the Quebec mining laws, it will be seen that they are very liberal ,and favorable to the prospector. The procedure to acquire mining claims in Quebec is as follows: The intending prospector gets a prospector's certificate (called in our law miner's certificate) cost $10.00, which expires on 31st December following. This entitles him to stake out a claim or claims up to a maximum of 200 acres, in parcels of not less than 40 acres in unsurveyed lands, and not less than half a lot in surveyed townships. The surveyed lots are, as a rule, 100 acres each, but sometimes there is a variation of a few acres over or under.

After staking (which operation is analogous to Ontario) the prospector must register his claim without delay. This registration is centralized in the Quebec office, but can be done through agents of the department, of whom there is one at Ville-Marie and one at Amos. There is no fee for registration. In the course of the following six months (January, February and March being "menses non") the claim holder must do twenty-five days' work on each claim, irrespective of the area if it is in one holding. That is to say if he has one claim of 200 acres he only has 25 days to do. If he holds, say, one of 100 acres and two of 40, not contiguous, he has to do 75 days' work.

At the end of the six months, he may apply for the concession, or if not yet satisfied of the value of his claim so as to invest the price, he may apply for a working license, good for one year from the date of expiration of the claim. If he applies for the concession he has to have his claim located and surveyed by a Q. L. S., and pay the purchase price, $5.00 per acre for superior minerals (metallic and non-metallic as enumerated in paragraph L 14, article 2098) and $3 for inferior minerals. Then in the two years following the application he has to spend $500 for each 100 acres in "bona fide" actual mining work, (travaux d'exploitation). He is then entitled to his patent. If these conditions are not fulfilled within the specified time the minister has the discretionary power to cancel the sale or concession. All mining land thus conceded is subject to an acreage tax of 10c per acre yearly and to whatever royalty on the production as may be decreed by order-in-council. At present only asbestos is subject to this royalty.

If the holder of claims applies for a working license, good for one year, he pays 50 cents an acre per year, and a registration fee of $10.00 and he has to do 25 days' work on each forty acres or fraction thereof during the year in force. This is renewable at the end of the year on the same terms. If, for valuable reasons, the holder was unable to perform the work, the minister has the discretionary power to renew the permit, but the fee is then raised from 50 cents to $1 an acre per year. At any time the holder of a working license (called "mining license" in the Quebec law) may apply for the concession on the terms enumerated above.

FINANCES OF AMHERST

HALIFAX.—The town of Amherst which operated a civic coal yard last year reports a loss of $300 on transactions amounting to $16,000. Amherst is next door to the Springhill Mines, which produce a good quality of soft coal. However, the town's financial statement, just issued, is considered fairly satisfactory, in view of the trying conditions of the past year. The revenue was $275,000. The principal item of expenditure was $51.000 for interest, and $19,480 for sinking fund.

BUILDING COST TUMBLE HALTED

Program for Year Can Go on Without Fear of Shrinkage

The first great wave of speculative building and cheaper type construction passed in 1922. It is predicted that 1923 will go down as a year in which a great volume of good building construction was produced. It is evident that residential construction will continue in volume almost equal to that of 1922, with greater activity in the more expensive types of dwellings. It is estimated that $360,000,000 will be expended on new construction this year.

The problem of labor conditions is one on which no forecast can be made, but it is quite probable that 1923 will show a fairly good spirit of co-operation between employers and labor in the building industries. Labor leaders are becoming more foresighted, and in certain of the trades there is a growing interest in the apprentice problem and in the idea of admitting a larger proportion of new men into the ranks.

The great drop in construction costs is over, and those who wish to build may do so in 1923 without fear of loss through the shrinkage of existing building values incidental to rapid price deflation.

Supply and Demand Rule Speculative Prices

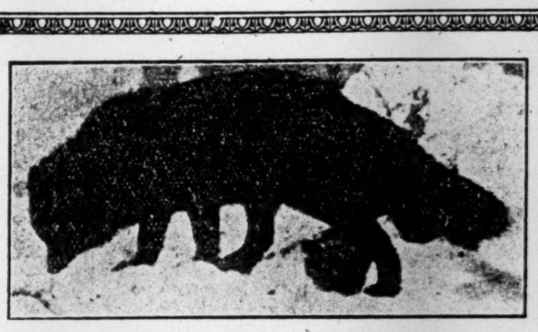
Dr. H. C. Emery of Yale University recently wrote the following on supply and demand:

"In the first place, it is desirable to dispose of a more or less prevalent idea that speculative prices are determined 'regardless of the law of demand and supply.' Such an idea is based on a complete misconception of the nature of value. The more free the competition between buyers and sellers, the more minutely is price regulated by demand and supply, and nowhere is competition more free than on the exchange.

"Prices on the exchanges, however, are (and must be) determined by the existing demand and supply. But the existing demand and supply are both speculative, and depend for their strength on the conditions in other markets and on the expected conditions of the future. It is in this way that distant and future demand and supply affect prices, by affecting the speculative demand and supply here and now, and it is only in so far as they do determine the speculative market of the moment that they have any influence on price.

"The speculative demand and supply are just as real as any other, and are expresed in genuine offers to buy and sell goods."

John Brophy resigns as chairman of United Mine Workers' nationalization research committee, charging John L. Lewis with evading nationalization issue, and declaring he intends to carry it to miners themselves.



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Huron & Erie Canadian Debentures

1922	$10,643,000
1921	8,334,000
Increase	$ 2,309,000

Savings Deposits

1922	$ 6,061,000
1921	5,900,000
Increase	$ 161,000

Reserve Fund

1922	$ 1,500,000
1921	1,300,000
Increase	$ 200,000

Assets

1922	$25,167,000
1921	22,712,000
Increase	$ 2,455,000

A complete financial report in a form which any person can understand will gladly be mailed upon request.

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